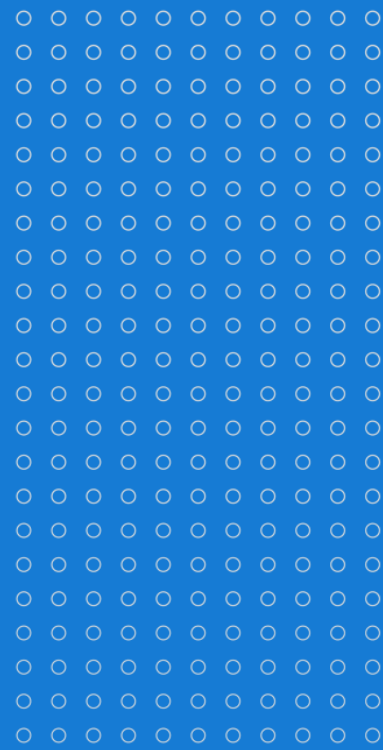


# Finding Financial Relief in the Wake of the COVID-19 Crisis

October 29, 2020



Risk & Insurance | Employee Benefits | Retirement & Private Wealth



## Where Individuals Can Find Financial Relief in Wake of COVID-19 Crisis

Millions of people across the country are reeling financially from the impact of the COVID-19 pandemic. Formal and informal assistance is available, from financial relief programs provided under the CARES Act passed on March 27, 2020 by Congress, to grace periods and credits that many insurers are extending on home and auto premium payments. Here is an overview:

### Considerations for Individuals in the COVID-19 Crisis: Overview

Consideration	Description	Learn more
<b>State Unemployment Insurance Expansion</b>	The CARES Act has expanded unemployment insurance. Your eligibility varies depending on the rules in your state.	Visit the <a href="#">Department of Labor website</a>
<b>Economic Impact Payments From the IRS</b>	All taxpayers, with income up to \$99k (single) and \$198k (married), are eligible for cash payments.	Visit the <a href="#">IRS website</a>
<b>Home and Auto Insurance Premium Relief</b>	Many carriers are offering refunds, credits, grace periods and/or other forms of relief.	Contact your insurance carrier to understand your options
<b>Mortgage / Rent Relief</b>	Many lenders and landlords are offering forms of relief if you are experiencing economic hardship.	This information will likely have been emailed to you. Otherwise, contact your mortgage servicer or landlord
<b>Student Loan Relief</b>	The CARES Act is suspending all student loan payments and reducing interest to 0% through September 30, 2020 for most federal student loan borrowers.	Visit the <a href="#">Department of Education website</a> to determine eligibility
<b>Retirement Plan Distributions</b>	The CARES Act may allow you to take withdrawals from your retirement accounts with limited penalties. You may also be eligible to take loans from your plans. Additionally, required minimum distributions may be delayed by a year.	Contact your employer's HR department to determine eligibility; consult with your financial advisor.



## Considerations for Individuals in the COVID-19 Crisis: What You Need to Know

### 1. State Unemployment Insurance Expansion

In March 2020 the federal CARES Act greatly expanded unemployment insurance opportunities. Many workers who were not previously covered are now eligible. In addition to expanding eligibility, the CARES Act also:

- Increases the weekly benefit amount that states currently provide by \$600/week until July 31, 2020.
- Provides an additional 13 weeks of benefits for people who are still unemployed after their state benefit period would otherwise run out.

Since unemployment insurance programs are run by the states, you will need to check with your state on your eligibility. You should visit the U.S. [Department of Labor website](#) for specific federal and state unemployment benefits information. (Since the law has changed recently, it is possible states may not have updated their websites yet.)

Depending on the rules in your state, you *may* now be eligible if:

- Your employer permanently or temporarily laid you off due to coronavirus measures;
- Your employer reduced your work hours due to coronavirus measures;
- You are self-employed/an independent contractor and have lost income due to coronavirus measures;
- You're quarantined and can't work due to coronavirus;
- You're unable to work due to a risk of exposure to coronavirus; or
- You can't work because you're caring for a family member due to coronavirus.

There are two types of benefits – Pandemic Unemployment Assistance and the Federal Pandemic Unemployment Compensation. Individuals are eligible for one or the other, but not both.

#### Pandemic Unemployment Assistance (PUA)

PUA was designed to provide unemployment wage replacement benefits to those who would **not normally be eligible for or who have exhausted** regular unemployment compensation. Additionally, PUA is available to those who are unemployed, partially unemployed, or unable to work as a direct result of the COVID-19 public health emergency.

The PUA weekly benefit includes the unemployment compensation authorized under state law (however, the minimum amount may not be less than 50% of the average benefit amount in the state), and a weekly additional amount of \$600 which is available only through July 31, 2020.

The PUA program will provide a maximum of 39 weeks of unemployment benefits to workers. The program is set to expire on December 31, 2020. Eligible individuals include those who are self-employed, independent contractors, freelancers, part-time workers, and those who do not otherwise qualify for state unemployment benefits. Applicants must self-certify that they meet at least one of the following criteria:


- o The individual has been diagnosed with or is experiencing symptoms of COVID-19 and is seeking a medical diagnosis;
- o A member of the individual's household has been diagnosed with COVID-19;
- o The individual is providing care for a family member or a member of the individual's household who has been diagnosed with COVID-19;
- o A child or other person in the household for whom the individual has primary caregiving responsibility is unable to attend school or another facility that is closed as a direct result of the COVID-19 public health emergency and such school or facility care is required for the individual to work;
- o The individual is unable to reach the place of employment because of a quarantine imposed as a direct result of the COVID-19 public health emergency;
- o The individual is unable to reach the place of employment because the individual has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- o The individual was scheduled to commence employment and does not have a job or is unable to reach the job as a direct result of the COVID-19 public health emergency;
- o The individual has become the breadwinner or major support for a household because the head of the household has died as a direct result of COVID-19;
- o The individual has to quit his or her job as a direct result of COVID-19; or
- o The individual's place of employment is closed as a direct result of the COVID-19 public health emergency.

PUA is also generally not payable to individuals who have the ability to telework with pay or who are receiving paid sick leave or other paid leave benefits. However, individuals receiving paid sick leave or other paid leave benefits for less than their customary work week may still be eligible for PUA.

### **Federal Pandemic Unemployment Compensation (FPUC)**

FPUC is an expansion of state-based unemployment programs available to eligible recipients. The FPUC is available to only those states that enter into an agreement with the Secretary of Labor and satisfy certain requirements. The expanded unemployment benefits will become available once each state enters into the Secretary of Labor agreement through July 31, 2020.

This program requires states to waive the waiting period and provides an additional \$600 weekly benefit to individuals who are collecting regular Unemployment Compensation



authorized by the state. The timeline for these payments will vary by state. As states begin providing this payment, eligible individuals will receive retroactive payments back to their date of eligibility or the signing of the state agreement, whichever came later.

If you think you may be eligible for PUA or FPUC, contact your state unemployment agency. You can find the contact information at the [Department of Labor website](#).

## 2. Economic Impact Payments from the IRS

You may also be eligible for the “Economic Impact Payment” of up to \$1,200 for individuals or \$2,400 for married couples and up to \$500 for each qualifying child. According to information on the IRS webpage:

- Tax filers with adjusted gross income up to \$75,000 for individuals (\$150,000 for married couples filing joint returns) will receive the full payment.
- Filers with income above those amounts will have their payment amount reduced by \$5 for each \$100 above the \$75,000/\$150,000 thresholds.
- Single filers with income exceeding \$99,000 and \$198,000 for joint filers with no children are not eligible.
- Social Security recipients and railroad retirees who are otherwise not required to file a tax return are also eligible and will not be required to file a return.
- Eligible taxpayers who filed tax returns for either 2019 or 2018 will automatically receive an economic impact payment.

More detailed information is available on the [IRS comprehensive webpage](#) and FAQ.

## 3. Home and Auto Insurance Premium Relief

Many home and auto insurance carriers are offering premium refunds, credits, grace periods, and/or other forms of relief for delayed premium payments. In other words, you may be able to keep your insurance even if you cannot pay your premium right now. Contact your carrier for each of your insurance coverages to understand what options are available.

## 4. Mortgage/Rent Relief

Your mortgage company or your landlord may also be offering relief. If you have experienced an economic hardship due to the coronavirus, you should reach out to your mortgage servicer or landlord to determine what options are available.

## 5. Student Loan Relief

The CARES Act offers substantial relief by automatically suspending monthly payments and reducing interest to 0% through Sept. 30, 2020 for most federal student loan borrowers. More information is available at this [Department of Education website](#).



## 6. Retirement Plan Distributions

The CARES Act may also allow you to withdraw savings from your retirement accounts with limited penalties. Under the CARES Act, you may be eligible to take up to \$100,000 from your retirement plan if you or a family member are diagnosed with COVID-19 or if you have an economic hardship due to coronavirus measures. This withdrawal is exempt from the usual 10% early distribution penalty and you can include it in income over three years.

You may also be eligible to get an increased loan from your plan of up to \$100,000 or 100% of your account balance. Additionally, loan payments otherwise due this year may be deferred. Finally, if you are supposed to receive a required minimum distribution this year, that distribution may be delayed for one year. If you have already received your required minimum distribution, you should consult your financial advisor regarding your options.

Not all options are available for all plans. Contact your employer's HR department to determine if your plan will make these options available. Even if they are not, you may be able to take a loan or hardship withdrawal under the plan for other reasons. Explore these options and review any retirement plan communications you have received. Additionally, if you have assets in an IRA, consult your financial advisor regarding the potential relief from required minimum distributions.

Get the latest information, guidance and resources on Coronavirus (COVID-19) to help you protect what matters most at [hubinternational.com/coronavirus](https://hubinternational.com/coronavirus). For additional support, please reach out to your local HUB office.

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