



Supporting the Use of the Economic Impact Payment

What is the Economic Impact Payment?

The IRS is issuing Economic Impact Payments, better known as “stimulus checks,” in the amount of \$1,200 for each adult and \$500 for each qualifying child to most taxpayers and those who receive Social Security benefits.¹

How will the stimulus affect Social Security and Medicaid benefits?

The stimulus will not be counted as income or assets in regards to both Social Security² and Medicaid³ benefits, as long as the money is used within 12 months.

How should a representative payee use a person’s Economic Impact Payment?

Since the stimulus check is not a Social Security or SSI benefit, the representative payee is not responsible under the Social Security Act to manage the money. The representative payee should discuss the Economic Impact Payment with the person, and should they want to use the money independently, it should be provided to them. If the person requests support to use the money in a specific way or to save it, the representative payee can provide that assistance outside of their role as representative payee. The representative payee is not required to account for the stimulus when they complete their annual accounting form. Although the Social Security Administration does not have the authority to investigate misuse of the Economic Impact Payment, if SSA receives an allegation that the stimulus money was not used on behalf of the person, SSA may investigate the possible misuse of that person’s Social Security or SSI benefit payments, which could result in the appointment of a new representative payee.⁴

How do I support people who request assistance to use their stimulus money?

The good news is, people have 12 months to use their money before it can affect future benefits, so it is ok to stop, think, and have an in-depth discussion with the person you are supporting to find out what is important to them and important for them in regards to spending their stimulus money.

- Is there a trip that the person has always wanted to go on but has never had the funds to experience? Of course, now may not be the time to go on that dream cruise, but there is time to research and take advantage of cheap travel costs right now to put a deposit on a trip for when the pandemic ends!

¹ <https://www.irs.gov/coronavirus/economic-impact-payments>

² <https://blog.ssa.gov/commissioner-of-social-security-shares-update-about-covid-19-economic-impact-payments-for-beneficiaries/>

³ https://coverva.org/materials/FAQ_English_4_9.pdf

⁴ <https://www.ssa.gov/coronavirus/>

- Has the person always wanted an iPad, but the cost of a new tablet has been prohibitive? Maybe an iPad could provide an opportunity to a person to be able to use technology to communicate like never before, and the ability to watch movies, listen to streaming music, and video chat with friends and family would be a bonus. Especially at this time when people are unable to see their friends and family as much as they would like.
- Maybe they would like to update their bedroom with a new, more comfortable mattress, new furniture, and/or new decorations? How about some new, more stylish, and better fitting clothes?
- Perhaps the person needs some dental work or a large dental bill to pay off that has prevented them from saving for a large purchase or experience?
- Perhaps a person you support is a saver and would like to set-aside their stimulus money for something in the future. They can consider opening, or adding to, an ABLEnow account. In 2015, Virginia became the first state to approve and pass Achieving a Better Life Experience (ABLE) legislation after passage of the federal ABLE Act. ABLEnow accounts may be used to pay a variety of expenses related to maintaining an individual's health, independence and quality of life (<https://www.able-now.com/what-is-ablenow/>). Examples of Qualified Disability Expenses include, but are not limited to:
 - Education
 - Housing
 - Transportation
 - Employment training and support
 - Assistive technology and related services
 - Health
 - Prevention and wellness
 - Funeral and burial
 - Basic living expenses

Of course these are just some suggestions to consider, but **do not forget to first and foremost involve the person you are supporting in the decision, and consider what is important to them in balance with what is important for them.** Many people who depend on Social Security rarely, if ever, have the opportunity to have \$1,200 all at once that is not already earmarked for financial obligations, so it is a good time to take advantage of the extra money to purchase items that support their good life.