

CARES Act

Selected Individual Provisions

Presentation for HSCPA April 9, 2020

Chris Mashiba, Esq. cmashiba@cades.com (808) 521-9215

1

DISCLAIMER

 The material appearing in this presentation is for informational purposes only and should not be construed as advice of any kind, including, without limitation, tax, legal, accounting, or investment advice.

2

cades - schutte

2

Individual Recovery Rebate/Credit

Every US resident or citizen who filed a tax return for 2019 (or 2018 if 2019 not yet filed) may be eligible for a \$1.2k stimulus payment if AGI is:

- \$75k or less for single or married filing separately
- \$112.5k or less for head of household
- \$150k or less for married filing jointly
- Phases out by \$5 for every \$100 of AGI (completely phased out at \$99k S or MFS, \$146.5k for HOH, and \$198k for MFJ)
- Additional \$500 rebate per dependent child under age 17 (subject to AGI phase out)
- Certain individuals not required to file tax returns may still qualify (e.g. seniors receiving social security etc).
- Technically this is an advanced refundable credit for your 2020 tax return. Thus if you are phased
 out for 2018 or 2019, as applicable, you can still claim the refundable credit for 2020 if AGI is
 lower. Overpayments due to higher 2020 AGI won't be clawed back.
- · Expect stimulus checks or direct deposits this month.

3

cades - schutte

2

Employer Payments for Student Loans

- Employers may pay up to \$5.25k towards student loans tax-free from March 27, 2020 through the end of 2020.
- Borrowers on federal student loans may suspend repayments until September 30, 2020 (no interest accrued during this period).
- Repayment program should be documented.

4



Coverage of COVID-19 Testing and Prevention

- Modifies and expands the provisions of the Families First Coronavirus Response Act (FFCRA) requiring employer sponsored group health plans to provide cost-free coverage of COVID-19 testing and related items and services.
- Sets forth insurance reimbursement rules for COVID-19 testing and related services.
- Group health plans must provide cost-free coverage of any "qualifying coronavirus preventive services" (e.g. vaccine).

5

cades - schutte

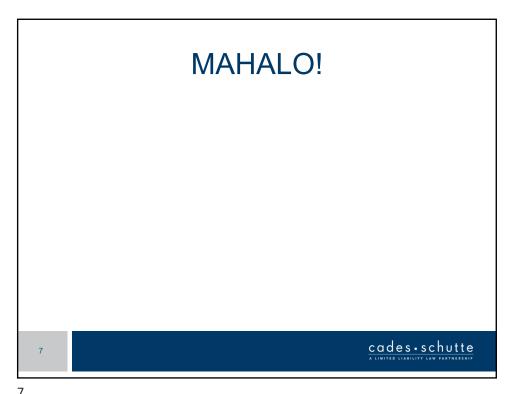
5

OTC Drugs Qualify for HSA and FSA

- Over the Counter (OTC) medications are now reimbursable, even without a prescription, from Health Savings Accounts (HSA), Flex Spending Accounts (FSA), and certain Health Reimbursement Arrangements (HRA).
- Menstrual care products also qualify for reimbursement from HSA, FSA, and HRA.
- Documentation of expense required keep your receipts.
- Law change is permanent and retro to Jan 1, 2020.

6

cades - schutte



′