As Congress considers immediate measures to protect Americans from a potential recession, Emergency Money to the People would deliver help to those who need it most. It would send $3,500 per adult and $1,500 per child to families earning up to $100,000—250 million Americans—and continue payments until the economy recovers.

**POLICY SUMMARY**

**Immediate payments: $2,000 per adult/$1,000 per child**
- Married: phases out between $100,000 and $140,000.
- Single: phases out between $60,000 and $80,000.
- Child payment is for children eligible for the Child Tax Credit.
- Based on 2019 income. No phase-in. Includes all tax filers (both SSN and ITIN).

**Ongoing support: $750 per adult/$250 per child, quarterly until the economy recovers**
- 3 & 6 months later, continuing if unemployment hits 5.5% and remains there or higher.

**EXAMPLES**
- Single no children, $50K income: $2,000 now, then $750 quarterly
- Single 1 child, $35K income: $3,000 now, then $1,000 quarterly
- Married no children, $100K income: $4,000 now, then $1,500 quarterly
- Married 1 child, $75K income: $5,000 now then, $1,750 quarterly
POLICY DETAILS

CASH PAYMENTS RIGHT NOW FOR THE MAJORITY OF AMERICAN HOUSEHOLDS

Guarantee immediate payments of $2,000 for each adult and $1,000 for each child for families earning up to $100,000.

Congress should provide immediate cash payments, based on 2019 tax returns, to low- and middle-income families, who are struggling with the coronavirus outbreak and resulting economic toll and need direct financial support. Adults will receive $2,000 each, with $1,000 for each child, phased out for higher-income taxpayers as follows.

- For married filers, payments to households earning up to $100,000, with amounts phasing out until $140,000 of income.
- For single filers, payments to households earning up to $60,000, with amounts phasing out until $80,000 of income.
- Children under 18 receive the child payment if they were eligible for the 2019 Child Tax Credit, except that filers of any age (and their spouses) who claim dependents are instead eligible for the adult payment.

Automatically and immediately distribute payments.

The IRS already has all of the information to calculate and distribute payments to all taxpayers who have filed their 2019 tax returns (those who have filed with Social Security Numbers and Individual Tax ID Numbers). Congress should direct the IRS to do so automatically and immediately. Payments should also be sent to those who have not filed taxes but are known to be eligible based on their enrollment in Social Security, SSI, and VA benefits.

Create a simple online form for the newly eligible who cannot be automatically identified.

In order to make Emergency Money to the People easy to claim for those who did not file taxes in 2019, Congress should require the IRS to create an extremely short and simple form, which could be filled out on paper or online, that would act as an amended or original tax year 2019 return for the purposes of receiving this payment.

QUARTERLY PAYMENTS UNTIL THE ECONOMY RECOVERS

Guarantee additional quarterly payments of $750 for each adult and $250 for each child until the economy recovers.

Congress should guarantee additional quarterly payments, three and six months after the first payments are made, of $750 per adult and $250 per child.

- The same income limits and phase-outs apply to quarterly payments as to immediate checks.
- These payments will continue if the unemployment rate is above 5% until it drops below that threshold. In spring 2021, IRS will automatically adjust eligibility for continued quarterly payments based on 2020 tax returns.
Periodic payment of Emergency Money to the People will quickly provide funds to Americans when they need it, and also ensure a stable source of support for working- and middle-class Americans who will feel substantial effects from this crisis for a longer period than those who are better off. Smaller periodic payments will also incentivize recipients to spend, rather than save, their payments – increasing its stimulative effects.

**Identify automatic economic conditions for restarting quarterly payments if economic conditions worsen.**

Emergency Money to the People payments should also automatically restart when economic conditions worsen in the future, creating an automatic stabilizer to fight future recessions.

- Quarterly payments should automatically resume based on the Sahm Rule, which signals the start of a recession when the 3-month average unemployment rate dips under 0.5 percentage points below the lowest point in the past year.

**Boost uptake through partnerships with federal and state agencies.**

Congress should require state agencies administering federal programs – like Medicaid and SNAP – to engage in similar outreach, targeting those with zero or close-to-zero income in 2019.