

Congress of the United States
Washington, DC 20515

May 5, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-232
United States Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204
United States Capitol
Washington, D.C. 20510

Re: Recurring Direct Payments During the COVID-19 Pandemic

Dear Speaker Pelosi and Leader McCarthy:

As the Coronavirus pandemic continues, it is clear we must continue to pursue and pass a multifaceted, bold economic strategy to help American families get through the duration of this crisis.

A key component of this strategy is continuing direct cash payments – which we were pleased to see was included in the CARES Act. We now ask that these payments continue on a recurring basis until unemployment falls close to pre-crisis levels and to take into consideration the lessons learned from the last disbursement – to ensure these payments are quick and direct. Our recommendations are as follows:

Direct Cash Payments on a Quarterly Basis and an Automatic Trigger

As we previously advocated for, we again propose sending direct payments to American families on a quarterly basis – beginning at \$2,000 per American. Subsequent payments will reduce over time as our economy recovers, and the duration of the payments will be tied to specific economic triggers. Payments will only terminate after unemployment drops to less than 0.5 percentage points above the pre-coronavirus environment levels. For higher-income earners, we propose a graduated phaseout of the payments. This will ensure that Americans receive consistent assistance throughout the economic recovery from the pandemic.

Eligibility-Payments to All Americans

Eligibility includes all adults up to the income threshold and all dependents – including young people 17 and 18 years old, college students, and non-child dependents. It's also important we include those who were left out of the last direct payments – including immigrants (ITIN workers, their families, and mixed-status households).

These payments are necessary to help Americans to simply get by – to pay the rent, mortgage, bills, or buy food for their families. That's why all relief language must protect people against any creditors seizing or attempting to seize these direct payments.

Implementation

As we've learned, it's imperative that Social Security, SSDI, SSI, and Veterans are paid automatically. The Internal Revenue Service (IRS) has taken steps to pay these federal beneficiaries automatically and collect additional data to do so for others who aren't required to file taxes. These are steps in the right direction toward paying all recipients automatically and electronically.

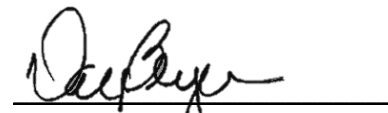
In order to ensure efficiency and make payments as seamless as possible, the IRS should also work with states to deliver these payments through federal programs administered by states, such as SNAP Electronic Benefit Transfer (EBT) programs. Using the data it has already collected through its new data portals, IRS should automatically and electronically send future payments to tax filers and non-filers, via direct deposit or electronic means. For others, IRS should use the data it already has access to, through data-sharing with the Social Security Administration and other federal agencies, to automatically calculate and send future payments. To ensure that the most vulnerable Americans get payments, IRS should develop outreach and payment plans for the hardest-to-reach populations, such as people experiencing homelessness and foster youth.

Though direct payments are only one component to this recovery, they are an essential tool to get relief quickly to all Americans. Thank you for considering our proposal, and we look forward to hearing from you.

Sincerely,



Madeleine Dean
Member of Congress



Donald S. Beyer Jr.
Member of Congress

Appendix: Coronavirus Economic Support Payments

Following is an outline of a proposal for economic support payments to support families and workers through the COVID-19 state of emergency and to provide continued assistance as the economy returns to health:

- Initial Payment (to cover 3 months, July-September 2020):
 - \$2,000 payment per:
 - Adult not on Social Security
 - Child or non-child dependent
 - Social Security, VA benefit, SSI recipients (added to their earliest possible benefit check)
 - Eligibility/Administration:
 - Workers who file for Tax Year 2019
 - Non-filers can file a simple 1040 separately
 - Seniors on Social Security will receive payment from the Social Security Administration (SSA); Veterans from the Veterans Administration (VA); Supplemental Security Information (SSI) recipients from SSA
 - Pay SNAP/TANF recipients via electronic benefit transfer (EBT), where federal-state data sharing is possible
 - Phased out for higher-income taxpayers, with a phase-out rate of 5% of the aggregate credit amount
- Second Potential Payment (October-December 2020):
 - Additional payment of \$1,500
 - Triggers:
 - Public health emergency continues into July certified by the Secretary of Health and Human Services AND an Economic Turmoil Determination by Treasury Secretary
 - OR unemployment is at least 1 percentage point higher in June than three month moving average in December 2019 — February 2020, as reported in July
 - Half payment of \$750 per person if June unemployment is 0.5 percentage point above December 2019 — February 2020 average
 - Eligibility: Same as above
- Additional Quarterly Payments (January-March 2021 and beyond):
 - Additional payment of \$1,000 per quarter
 - Trigger:
 - Economic turmoil designation by Treasury Secretary AND Unemployment rate in last month of previous quarter (i.e. September, as reported in October) is up at least 1 percentage point vs. December 2019 — February 2020 average

- Half payment (\$500) if unemployment rate remains at least 0.5 percentage points above December 2019 — February 2020
- Eligibility: Same as above

NOTE: None of these payments will count toward eligibility asset limits for other benefit programs, such as SSI, SNAP, LIHEAP, or TANF.