

Minnesota Unemployment Insurance Update

If you worked, even part-time, before the Covid-19 virus pandemic and were laid off from your job, or had to quit for your own health, because of the virus, you may qualify for Minnesota Unemployment Insurance (UI), **and** an extra \$600 per week from the federal government.

To apply for Minnesota Unemployment Insurance (UI) benefits, call 1-877-898-9090. But be aware that you could be on hold for an hour, or more. They are extremely busy right now. If you have internet access, it is easier to apply on-line at www.uimn.org. It will take about thirty minutes. In a few days you will get an answer about whether or not you qualify. If you do qualify, benefits will continue about 13 weeks, or until you get called back to work. There is good news that benefits have been extended an EXTRA 13 weeks if you are still unable to go back to work.

What you receive from Minnesota Unemployment Insurance will be a percentage of your regular pay. It will be less than your regular pay check. Once approved, you will need to request payment every week until you are allowed to return work. You do that online, or by phone. You will not get a check unless you request it each week.

If you are self-employed, and had to quit due to the virus, you may qualify for a brand new unemployment benefit called Pandemic Unemployment Assistance (PUA). Normally, self-employed people could not get unemployment benefits. PUA was put into law by the U.S. Congress and it began as a result of the Covid-19 pandemic. It is administered by the state of Minnesota. You may qualify if you are self-employed, an independent contractor, a worker in a non-covered employment, you lack sufficient work history to get regular unemployment benefits, **or** the head of your household died as a result of Covid-19. Apply for PUA online at www.uimn.org or call 1-877-898-9090. If you get PUA, you will also be eligible for the \$600 per week extra federal money, as well as the 13 week extension of benefits. NOTE that your PUA check will be backdated to when you first became eligible due to Covid-19. If you already applied for unemployment benefits, no need to apply again. The state will read your application and get you on the PUA program. PUA just started on April 24, so many do not know about it yet. Please pass the word.

Unemployment benefits **will be** counted as income on your 2020 taxes. When you apply for benefits, it will give you the option to withhold up to 15% of your check for taxes. If you normally file taxes, this is a good option. The extra federal \$600 per week is **yet to be decided** whether it will be counted as income for taxes. It is expected that the extra \$600 per week will continue through July at this time, but this may change.

If you are disabled and receive SSDI or RSDI, and normally work under MA-EPD (Medical Assistance for Employed People with Disabilities), the unemployment, PUA, and the extra \$600 per week will not affect your Medical Assistance, or SSDI and RSDI benefits.

If you have a disability and normally receive SSI (Supplemental Security Income), unemployment benefits and the federal \$600 payments **WILL** affect how much SSI you will receive. So carefully calculate to see if it is worth it to apply for unemployment at all.

If you are age 62 to 69, receive Social Security retirement, and still work part time, there is normally a limit on how much you can earn and still receive your Social Security check. In Minnesota, unemployment and PUA benefits may affect that limit in certain cases. Call the local Social Security office to find out at 1-888-224-8869. The extra federal \$600 money **will not** affect your Social Security check or your Medicare.

If you are age 70 or over, and still work, and collect Social Security retirement benefits, you can apply for both unemployment benefits and receive the extra \$600 federal money, too. It will not affect your Social Security payments or your Medicare.

Economic Income Payment

Also known as CARES Act money or Stimulus Checks

This is the \$1200 free money you heard about and maybe already received.

In response to people going through hard financial times because of the Covid-19 virus, Congress allowed the federal government to pay each citizen a one-time check of \$1200. They called it an “economic impact payment” or stimulus check.

In general terms, this is how the Stimulus Checks work:

- Individuals who make up to \$75,000 will receive \$1,200.
- Families who file taxes jointly and make up to \$150,000 will receive \$2,400.
- Families with children ages 16 and under, receive an extra \$500 per qualifying child.
- Income is determined from the taxpayer’s 2019 or 2018 tax return, whichever is on file.
- Social Security recipients who do not pay taxes will also receive a check. This includes people receiving Retirement S.S., SSDI, RSDI, and SSI. You will not receive \$500 per child as the date for filing that has passed.
- Individuals and households that make more than the above incomes will receive reduced amounts.

This \$1200 cannot be garnished for debt you owe the government, like student loans or back taxes. But it can be garnished for unpaid child support.

Checks started going out in mid-April. If you have not received your check by mail, or as a direct deposit into your bank, go to www.irs.gov/getmypayment to find out why. They may not have the correct bank to send it to, or they might not have your right address to mail it.

Fun Trivia Note: To pass the CARES Act quickly, and get this money to you, Congress worked with the IRS to figure out how to regard this income for your taxes next year. They decided that this money would “legally” be considered a tax credit that you normally would have to pay back. But then, they wrote in a provision that said the IRS will automatically say you paid it back without you actually doing that!

So...rumors you may have heard that you have to pay back this \$1200 are **false**. You will NOT have to pay it back to anyone. Nor will it be considered taxable income when you file your 2020 taxes. It is truly FREE money to help you through this difficult time.