

**Frequently Asked Questions (FAQs)
COVID-19 Economic Impact Payments and
Federal Treasury Offset Program
(Updated 3/31/2021)**

2021 FAQs:

Will the new 2021 economic impact payments be offset for past due child support?

No, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 does not authorize offset of the second round of economic impact payments for past due child support. The payment is \$600 per taxpayer (\$1,200 for married filing jointly), in addition to \$600 per qualifying child. The payment phases out starting at \$75,000 of modified adjusted gross income (\$112,500 for heads of household and \$150,000 for married filing jointly) at a rate of \$5 per \$100 of additional income.

Information is also available from the Internal Revenue Service at <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know> and the U.S. Treasury Bureau of The Fiscal Service at <https://fiscal.treasury.gov/top/faqs-for-the-public-covid-19.html>.

What if I did not receive the second round of stimulus payments?

If you qualified for a payment from the second round of stimulus but didn't receive a check or direct deposit of the payment, you may still qualify by filing for the Internal Revenue Service (IRS) Recovery Rebate Credit on your 2020 tax return.

Please Note: The IRS states the Recovery Rebate Credit is part of the calculation of your 2020 tax liability. If you receive a tax refund for any reason—including impact of the Recovery Rebate Credit—your federal tax refund may be intercepted for past-due child support. You can find more information about the Recovery Rebate Credit on the [IRS website](#).

What is the Maryland RELIEF Act of 2021?

The Maryland RELIEF Act of 2021 consists of emergency economic impact payments for low to moderate income Marylanders who filed for and received the Earned Income Tax Credit (EITC) on their 2019 tax return. The Act also provides support for a limited number of unemployed Marylanders.

How much will someone receive from the Maryland RELIEF Act?

Individual or joint filers who qualified for and claimed the EITC in Tax Year 2019 will receive direct stimulus payments of the following amounts:

- \$300 to individual tax filers;
- \$500 to spouses who filed a joint return, for a surviving spouse, or head of household.

Is an economic impact payment through the Maryland RELIEF Act subject to garnishment for child support owed?

Yes. Anyone due an economic impact payment under the Maryland RELIEF Act will have his or her name run against the list of individuals owing child support arrears maintained by the Maryland Comptroller's office. If there is a match, the Comptroller's office will intercept that payment before deposit and forward it to the Maryland Child Support Administration for appropriate disbursement. Please note that under the Maryland RELIEF Act economic impact payments are not subject to garnishment once deposited in the bank account of the payee.

What is the Maryland RELIEF Act's Unemployment Grant?

The Maryland RELIEF Act provides \$1,000 one-time grant payments to certain Maryland residents whose unemployment claims have been in adjudication for 30 days or more.

Who will receive the Unemployment Grants?

The Maryland Department of Labor determines the recipients of the Unemployment Grants and will submit to the Comptroller a list of individuals who will receive the payment.

Is an Unemployment Grant subject to garnishment for child support owed?

Yes. Unemployment grants are subject to garnishment, including for non-payment of child support.

How much are the American Rescue Plan Act (ARPA) of 2021 stimulus payments?

Households will generally be issued a single payment based on the household's income and size. Specifically, the payment would equal \$1,400 per eligible individual (\$2,800 for most married couples) plus an additional \$1,400 for each dependent as defined for tax purposes. The definition of dependent would include older children and adult dependents.

Who would be eligible for the ARPA payments?

Most individuals, except nonresident aliens and individuals who can be claimed as dependents by another taxpayer, would be eligible to receive these payments. In contrast to the first and second rounds of stimulus payments, all dependents would be included when calculating the maximum payment amount for the household.

Are the ARPA stimulus payments subject to offset for child support owed?

No. The Child Support Administration cannot take any of the third stimulus payment for purposes of collecting on past-due child support. However, if an individual claims the stimulus payment as a credit on their tax return (as opposed to getting the stimulus directly) that credit is subject to offset.

I file my taxes jointly and my tax refund was intercepted for owing back child support. Why hasn't that money been applied to my case yet?

The Federal Office of Child Support Enforcement has given state child support agencies until June 30, 2021 to hold jointly filed tax refund offsets received on or after March 15, 2020. This is to ensure the appropriate processing of returns from joint filers who have had their Economic Impact Payments or tax refunds intercepted for child support owed by their spouse.

2020 FAQs:

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which authorized economic impact payments (or stimulus payments) to eligible individuals. The Maryland Child Support Administration has prepared the following frequently asked questions (FAQs) to address inquiries related to the economic impact payments and the federal Treasury Offset Program.

Information is also available from the Internal Revenue Service at <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know> and the U.S. Treasury Bureau of The Fiscal Service at <https://fiscal.treasury.gov/top/faqs-for-the-public-covid-19.html>.

If you have additional questions, please call the Department of Human Services Customer Service Call Center at 1-800-332-6347 or visit us online at <http://dhs.maryland.gov/child-support-services/>.

What is the Economic Impact Payment or Stimulus Payment?

A payment from the federal government to eligible individuals during the COVID-19 coronavirus pandemic as follows:

- \$1,200 payment to individual taxpayers

- \$2,400 payment for married couples filing jointly
- An additional \$500 per qualifying child under the age of 17.

These payments start to phase out for single filers with adjusted gross income (AGI) above \$75,000; married couples filing jointly with AGI above \$150,000; and heads of household (that's a single person with dependents), with AGI above \$112,500. Stimulus amounts will be paid out based on 2019 income (or 2018, if an individual hasn't yet filed their 2019 tax return). For further details on the economic impact payments, please visit www.irs.gov/coronavirus

Will My Economic Impact Payment be Intercepted for Child Support?

The Coronavirus Aid, Relief, and Economic Security (CARES) Act mandates that the federal government intercept the economic impact payments for the purpose of collecting child support owed. As a result, economic impact payments to eligible noncustodial parents may be reduced by the amount of child support owed. The federal government is treating these payments the same as a tax refund intercept and does not provide states the option to suspend federal tax refund intercepts, including the economic impact payments.

If you receive Temporary Cash Assistance and you owe child support arrearages of at least \$150, your economic impact payment may be intercepted by the federal government.

If you do not receive Temporary Cash Assistance and you owe child support arrearages of at least \$500 your economic impact payment may be intercepted by the federal government.

In both instances the arrears must be equal to or greater than two times the current support ordered amount.

Will I Receive the Noncustodial Parent's Economic Impact Payment?

If you receive Temporary Cash Assistance and the noncustodial parent owes child support arrearages of at least \$150, the noncustodial parent's economic impact payment may be intercepted by the federal government. Based on federal and state distribution rules, the intercepted payment will first cover arrearages owed for your prior receipt of Temporary Cash Assistance before arrearages owed to the family.

If you do not receive Temporary Cash Assistance and the noncustodial parent owes child support arrearages of at least \$500, the noncustodial parent's economic impact payment may be intercepted by the federal government and paid to the custodial parent to pay the child support owed.

In both instances the arrears must be equal to or greater than two times the current support ordered amount.

How Will I know the Economic Impact Payment was Intercepted?

When a noncustodial parent (NCP) owes child support arrearages, the federal government requires states to certify the NCP for the federal Treasury Offset Program. A Certification Notice is sent to the NCP informing of the referral and providing an opportunity to contest the action.

The U.S. Treasury's Bureau of The Fiscal Service will send you a notice regarding the economic impact payment when intercepted. The notice will provide information on how the payment was made and how to report any failure to receive the payment. If a taxpayer is unsure they're receiving a legitimate letter, the IRS urges taxpayers to visit IRS.gov first to protect against scam artists.

Please note the Treasury's notice you receive is not sent to the Maryland Child Support Administration. Maryland may not receive the intercepted payments from the federal government for a week or more after you receive your notice. The Child Support Administration is unable to confirm receipt of the intercepted payment or review your case until this information is provided by the federal government. You can also check your account through the MyDHR portal at <https://mydhrbenefits.dhr.state.md.us/dashboardClient/#/hometo> to confirm when a payment is received.

Will the Stimulus Payment Affect My Support Pass-Through?

For each month that the custodial parent qualifies for Temporary Cash Assistance the custodial parent is eligible for up to the first \$100 (for one child) or up to \$200 (for two or more children) of the child support received. This may include the economic impact statement and/or federal tax refund as the amount of support passed-through. There will be no additional pass-through.

What if I Believe My Economic Impact Payment Should Not Have Been Intercepted?

You may dispute the intercept if you do not believe that you owe child support arrearages. To dispute, please mail a written appeal to your local child support office. The addresses of each Maryland local child support office can be found online at <http://dhs.maryland.gov/child-support-services/contact-csa/>.

You may only appeal the intercept based on:

1. Whether there are arrears, or
2. The amount of the arrears.

When Will the Economic Impact Payment Be Applied to The Child Support Case and Support Sent to The Custodial Parent?

The economic impact payment will be combined with any federal tax refund intercept and applied to the case as soon as it is received.

If the parent who owes support files a single return, the payment will be held for 30 days to allow for an appeal. If no appeal is received or the appeal is denied, the custodial parent will receive their money after the 30 days.

□ Stimulus payments received after March 15, 2020 may be held through March 31, 2021 before being sent to the custodial parent, if the parent who owes support filed a joint tax return with his/her spouse. This is an extension of the federal statutory hold of 180 days or six (6) months to allow the spouse of the noncustodial parent to appeal as an “injured spouse.” This extension was granted to allow time for states to process federal tax refunds and stimulus payments affected by joint tax returns.

What if I Am Not the Responsible Party That Owed Child Support?

If you are receiving an economic impact payment jointly with your spouse and only the spouse owes child support, you can file an injured spouse form with the Internal Revenue Service. Please visit the IRS website at <https://www.irs.gov/forms-pubs/about-form-8379> to file your claim.

You can also choose to waive your right to file an injured spouse claim by completing an Expedited Release - Joint Tax Filer form. By completing this form and sending it to the local child support office the amount of the economic impact payment can be applied to the child support arrearage without the otherwise required six-month hold. The addresses of each Maryland local child support office can be found online at <http://dhs.maryland.gov/child-support-services/contact-csa/>.