

## **The Automatic Cash Assistance Act**

Senators Hassan (D-NH), Collins (R-ME), and Sinema (D-AZ)

**Background:** Direct cash assistance to individuals was a key component of the bipartisan Coronavirus Aid, Relief, and Economic Security (CARES) Act that the President signed into law in March 2020. Eligible individuals received up to \$1,200 each, as well as \$500 per qualifying child.

Although the Treasury Department automatically sent these payments to individuals who filed 2018 or 2019 tax returns, many economically vulnerable Americans who are not typically required to file taxes were initially told that they would have to file paperwork to receive their payments. This unnecessary barrier would have placed millions of Americans at risk of missing out on these payments altogether because they were unaware that they needed to file a tax return or were not able to.

Following calls from Senators Hassan, Collins, Sinema, and colleagues from both parties, the Treasury Department took steps to ensure that vulnerable individuals would not miss out on these payments by agreeing to automatically provide CARES Act payments to Social Security, Veterans Affairs (VA), and Supplemental Security Income (SSI) recipients.

After establishing automatic cash assistance for Social Security, VA, and SSI beneficiaries who do not file tax returns, the Treasury announced several deadlines for these non-filers to provide information to the Internal Revenue Service regarding their qualifying children. Unfortunately, according to the Treasury, any families who missed these deadlines will not receive their \$500 cash assistance per child until 2021 – when they can file a 2020 tax return.

**The Automatic Cash Assistance Act** would address future barriers to Americans quickly receiving the full direct cash assistance that they are entitled to by:

- Ensuring that recipients of Social Security retirement, Social Security disability, Veterans Affairs, and Supplement Security Income benefits automatically receive any future cash assistance that Congress provides to individuals and families during the COVID-19 crisis – regardless of whether they file tax returns
- Directing the Treasury Department to provide the \$500 child payments from the CARES Act to families receiving Social Security, VA, and SSI benefits as soon as practicable

**The Automatic Cash Assistance Act** is supported by:

- DAV (Disabled American Veterans)
- Paralyzed Veterans of America