

# IRS Fact Sheet

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## **Stimulus Payments: Instructions for Low-Income Workers and Recipients of Social Security and Certain Veterans' Benefits**

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Some low-income workers and recipients of Social Security, certain veterans' benefits and certain Railroad Retirement benefits may qualify for economic stimulus payments this year from the federal government.

In most cases, payments will range from \$300 to \$600 for individuals and \$600 to \$1200 for joint filers. Taxpayers may receive \$300 for each qualifying child.

Most taxpayers do not need to take any extra steps to receive the payment beginning in early May.

But there are some exceptions.

Individuals who might not otherwise be required to file a 2007 tax return will need to file a return this year to receive the stimulus payment. The return must show at least \$3,000 in qualifying income.

In other words, low-income workers who had at least \$3,000 in earned income in 2007 but do not otherwise earn enough to be required to file a federal tax return need to file a return in order to get the stimulus payment. Likewise, Social Security recipients, veterans and retired railroad workers who might not otherwise need to file a tax return must do so to receive the economic stimulus payment.

### **Certain Benefits Count toward Qualifying Income**

Normally, certain Social Security, Railroad Retirement benefits and certain veterans' payments are not subject to income tax. However, the economic stimulus law passed in February contains a special provision allowing Social Security recipients and recipients of certain veterans' benefits and certain Railroad Retirement benefits to count those benefits toward the qualifying income requirement of \$3,000 and thereby qualify for the stimulus payment.

This means a taxpayer who had, for example, \$500 in earned income and \$2,500 in any combination of the benefits described above can count those benefit payments toward his or her qualifying income to reach the \$3,000 earned income requirement, even though the individual would not otherwise owe taxes on such income.

For purposes of meeting the qualifying income requirement, the following benefits need to be reported in any combination on Line 20a of Form 1040 or Line 14a of the Form 1040A.

Social Security benefits reported on the 2007 Form 1099-SSA, which people would have received in January 2008. People who do not have a Form 1099 may estimate their annual Social Security benefit by taking their monthly benefit, multiplying it by the number of months during the year they received the benefits, and entering the number on Line 20a of Form 1040 or Line 14a of the Form 1040A.

Railroad Retirement benefits reported on the 2007 Form 1099-RRB, which recipients would have received in January 2008.

The sum of veterans' disability compensation, pension or survivors' benefits received from the Department of Veterans' Affairs in 2007. People are allowed to estimate their annual benefit by taking their monthly annual veterans' benefit, multiplying it by the number of months during the year they received benefits, and entering the number on Line 20a of Form 1040 or Line 14a of the Form 1040A.

People should note that Line 20a of Form 1040 and Line 14a of the Form 1040A are designated for Social Security. To qualify for the economic stimulus payments, these lines should also be used to include any qualifying Railroad Retirement or veterans' benefits.

### **For Those Who Have Already Filed**

Some recipients of the benefits described above may have filed a 2007 tax return reporting at least \$3,000 in qualifying income. They do not need to do anything else. They will begin receiving their stimulus payments in early May.

Others may need to amend a previously filed tax return to include benefits to reach the \$3,000 qualifying income level. Adding these benefits on an amended tax return will not increase an individual's tax liability but will establish eligibility for the stimulus payment. Taxpayers can use [IRS Form 1040X](#) to amend a tax return in order to qualify for the stimulus payment.

### **Free Tax Help Available**

Individuals who need to file a return this year to receive a stimulus payment may be able to take advantage of thousands of free tax preparation sites nationwide for low-income and elderly taxpayers.

The Volunteer Income Tax Assistance (VITA) program provides help to low- and moderate-income taxpayers. Call 1-800-906-9887 to locate the nearest VITA site.

The Tax Counseling for the Elderly (TCE) Program provides free tax help to people age 60 and older. As part of the IRS-sponsored TCE Program, AARP offers the Tax-Aide counseling program at more than 7,000 sites nationwide during the filing season. To find an AARP Tax Aide site call 1-888-227-7669 or visit the [AARP Web site](#).