**All You Need to Know About the New Stimulus Bill**

On March 6, the Senate passed the $1.9 trillion [American Rescue Plan](https://www.congress.gov/bill/117th-congress/house-bill/1319/text). The coronavirus relief bill now goes back to the House of Representatives, which must approve the Senate’s changes, before the president can sign it into law. The bill promises further financial relief and assistance to millions of Americans who may still be struggling with the financial devastation of COVID-19.

Below, we’ve outlined some of the most significant measures included in the bill:

**Stimulus payments**

The third round of stimulus checks are set at $1,400 for all eligible recipients. Here’s who is getting checks:

* Single taxpayers with an adjusted gross income (AGI) of $75,000 or below.
* Taxpayers filing as heads of household with AGIs of $112,500 or below.
* Married couples filing jointly with AGIs of $150,000 or below.

Parents will also be getting checks for every child they claim as a dependent on their tax return. This includes college students and adult children with disabilities.

Older relatives living together with taxpayers will also be counted as dependents; the payment will go toward the taxpayer and not toward the dependent adult.

Higher earners will receive partial payments, but these will phase out quickly. For single filers, the amount decreases to zero at an AGI of $80,000. For heads of household, the checks stop at AGIs of $120,000, and for joint filers, the cutoff is $160,000.

Eligibility will be based on the taxpayer’s income during the year of their most recently filed taxes: 2019, or 2020. To be eligible for a payment, an individual must have a Social Security number.

As during the last two rounds of stimulus payments, information on the status of individual checks can be found through the IRS’s [Get My Payment](https://www.irs.gov/coronavirus/get-my-payment) tool. Also like the prior rounds, payments issued through direct deposit will be distributed first. You can still share your account information with the IRS [here](https://www.irs.gov/filing/individuals/update-my-information).

**Changes to unemployment insurance**

The relief bill will extend unemployment benefits for another 25 weeks, until Sept. 6. The weekly supplemental benefit of $300 will continue running through that date as well.

The new legislation will also make the first $10,200 of benefits tax-free for people with an income of less than $150,000. This only applies to unemployment paid in 2020.

In addition, unemployment benefits received through the Pandemic Unemployment Assistance (PUA) program, which covers self-employed, gig workers, part-timers and others who are usually ineligible for regular unemployment benefits, will now be available for a total of 79 weeks and run through Sept. 6.

Finally, benefits received through the Pandemic Emergency Unemployment Compensation (PUAC) program would also run through Sept. 6.

**Health insurance**

Under the relief bill, buying insurance through the government program, COBRA, will be a lot more affordable. Usually, the insured must pay a minimum of 102 percent of the premium of insurance secured through COBRA; however, the government will pay the entire COBRA premium from April 1 through Sept. 30.

**Changes to the child and dependent care tax credit**

The bill will expand the child and dependent-care tax credit significantly, but only for one year. The credit, which helps families offset the cost of caring for children under age 13 and other dependents, will now be fully refundable and worth up to $4,000 for one qualifying individual or $8,000 for two or more. The credit is calculated by taking up to 50 percent of the value of eligible expenses, up to certain limits and depending on your income. The credit is currently worth between 20 and 35 percent of eligible expenses, with a maximum value of $2,100 for two or more qualifying individuals.

The bill would also increase the income level at which the credit begins to be reduced from the current AGI limit of $15,000 to an AGI of $125,000.

**Changes to the child tax credit**

Another significant component of the relief bill is the expansion of the child tax credit. The credit is currently worth up to $2,000 per eligible child. That credit will now increase to $3,000 for children ages 6 through 17, and to $3,600 for children ages 5 and under. Also, the credit will now be fully refundable.

In addition, the bill changes the way these funds will be distributed: Half of the child tax credit may be advanced to parents before the end of 2021. Plans for the distribution are still being finalized, but lawmakers are hopeful that parents will begin receiving monthly payments toward their child tax credits for 2021 as early as July.

The bill will also change eligibility requirements for child tax credits. Payments will be based on 2019 or 2020 tax information. Married couples with a modified AGI of up to $150,000 for the relevant year (or up to $112,500 for heads of household and up to $75,000 for single filers) would receive the full value of the new benefit. After that, the beefed-up benefits would be reduced by $50 for each additional $1,000 in modified AGI.

**Housing**

The bill would provide billions of dollars in rental and utility assistance to people who are struggling with their housing costs and are under risk of being evicted from their homes.

Approximately $27 billion would go toward emergency rental assistance; the majority of these funds will be used to replenish the Coronavirus Relief Fund. In addition, the bill would provide nearly $10 billion to help homeowners who are struggling with mortgage payments, utility bills and other housing costs. Approximately $100 million would be dedicated to housing counseling and another $5 billion would be designated to help the homeless.

**Changes to student loans**

Under the new law, there would be no income tax on forgiven debt for those qualifying for loan forgiveness or cancellation, such as those who have been in an income-driven repayment plan for the required number of years. This would apply to all debt forgiven between Jan. 1, 2021 and Dec. 31, 2025.

The most recent coronavirus relief bill is both ambitious and comprehensive. Referencing these guidelines, you can learn all about the American Rescue Plan and better know what to expect going forward.