



NAVIGATING YOUR PERSONAL FINANCES AFTER BEING IMPACTED BY COVID-19

This guide was developed to help individuals and their families who are experiencing, or may experience, a reduction in their household income due to the pandemic. While we cannot anticipate every set of circumstances, and you should always check with a trusted professional and/or a loved one to help with your decisions, here are some planning steps one can take to feel more secure and empowered during these difficult times. This guide can be helpful to all individuals regardless of their employment status (working or unemployed) as some of the recent developments will aid many households, even if everyone is still fully employed.

Due to the Coronavirus Aid, Relief, and Economic Security (“CARES”) ACT that was enacted on March 27, 2020, there are resources and support that did not exist 30 days ago. Please see below for a summary of some important developments:

Income / Money You Might Be Able to Access

- Over the next few weeks and months, many households, based upon individual/combined income, may qualify for a one-time check for as much as \$1,200 per adult, plus \$500 for each child under the age of 17. A common understanding is that these payments may begin as soon as the month of April. Please find additional information on the Economic Impact Payments [here](#).
- [Unemployment Insurance](#) has been extended by an additional 13 weeks for a total of 39 weeks. Your payment will be increased by \$600 per week on top of what your State’s formula will provide you during the time that you are eligible to receive unemployment insurance.
- If you have any money in a Health Savings Account, Health Reimbursement Arrangement and/or Flexible Spending Account, eligibility for certain services or medications may be enhanced through the end of the year. For examples of potential enhancements, and your eligibility, please check with your account provider.

Temporary Emergency Replacement for Lost Income Available to Those that Meet Certain Requirements

Should your employer adopt certain optional provisions for distributions and loans made available through the CARES Act, you may be able to access your respective 401(k), 403(b), and governmental 457(b) account(s), penalty free. Not only must your employer have chosen to adopt these provisions, but you would also need to meet the requirements of what is deemed as a “Qualified Individual” pursuant to the CARES Act. The following are considered Qualified Individuals:

1. Participant diagnosed with COVID-19; or
2. Participant’s spouse or dependent is diagnosed with COVID-19; or

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The links provided are effective as of April 3, 2020.

- Participant's adverse financial consequences as a result of COVID-19, due to quarantine, furlough, lay-off, reduction in work hours, inability to work due to lack of child care, closing or reduction of hours of a business owned or operated by the individual due to the virus, or any other factors as determined by the Treasury Secretary.

If you are eligible to take a distribution and return those funds back to your retirement plan over the next 3 years, the payment is tax-free. If you do not return those funds, and pay the taxes, you can do so over the next 3 years.

Should your employer adopt the provisions made available through the CARES Act, in order to determine your ability to obtain this money, check with your Plan provider about the process to access available funds. In addition, IRAs are subject to the withdrawal availability and may be another source of funds in lieu of your Employer's Plan. Note, penalty free access is available for the rest of this year.

Health Insurance Options to Consider If Needed

- Pay for your prior Employer's Plan under [COBRA](#)
- Purchase a policy through your State's marketplace
- Purchase a policy through the [Federal Marketplace](#)

Obligations You May Be Eligible for Relief On and/or to Suspend Payment On

- [Federal Student Loans](#) – Interest will not accrue from now until September 30, 2020. You do not need to make payments until then, whether you are working or not
- Your Mortgage or Rent – Contact your mortgage provider or landlord to review terms of your contract
- Home / Auto Insurance Premiums – Discuss needed coverages going forward with your insurance broker/agent

Bills That You May Be Eligible to Pay at a Reduced Level

- Utilities – Please check with your provider as many utility companies are waiving late fees and will not disconnect your services
 - o The [Federal Communications Commission](#) has asked all providers of data and phone service NOT to disconnect anyone for failure to pay their bills
- Credit Cards, Gym Memberships, etc. – Think about other bills you may want to get in touch with your providers to inquire about

Laws That Protect You

- No evictions or foreclosures during stated periods of time (check with your local or federal ordinances) dependent on location (state/county) and lender (including Fannie Mae / Freddie Mac).
- Regardless of health insurance status, all COVID-19 testing costs are 100% covered. Check with your medical insurance provider if any other costs will also be covered at 100%.

What You Should Feel Empowered to Do

Call anyone you owe money to and ask for a temporary payment plan. Do not call them until you have your plan developed, considering your full financial picture. Be confident in your offer. Paying something is better than nothing.

Action Steps

1. If you or anyone in your household has lost their job or been furloughed, file a claim for unemployment insurance.
2. Estimate your weekly income from all sources and compare to your expenses. If you will be short, try to prioritize as follows and/or consider your emergency sources of income as mentioned above:
 - Who/What gets paid in full each time? (Ex: food should likely be paid for in full at the time of purchase)
 - Who/What will be paid at a reduced rate? (Ex: rent or mortgage perhaps)
 - Who/What won't be paid for several months? (Ex: student loans, phone bill, utilities)
3. Contact your mortgage provider and landlord to begin the process of setting payment expectations.
4. Call your Home and Auto insurance broker/agent to see if any changes to your policies can be enacted while you are not driving or leaving your home very often.
5. Take comfort in the stay at home requirement, FOMO "fear of missing out" no longer exists and you are saving a lot of money by eating in and staying away from stores.
6. Look for work, stay in touch with your family and co-workers.

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Lastly: At some point in the future, you will be asked to pay all your past due bills and amounts in arrears, so think all of this through carefully and track what you owe. Re-visit your plan every few weeks and try to remember, your household is not the only one impacted by this difficult situation.

Key Considerations to Take into Account Before Applying for Social Security Benefits

- You should go to the [Social Security Administration's website](#) to request your most current Social Security statement and projections.
- Your retirement benefits are based on your best 35 years of earnings.
- You need to understand the concept of "full retirement age" according to Social Security and that your "full retirement age" is dependent upon your year of birth.
- Your retirement benefits can be accessed as early as age 62, although taking benefits prior to your "full retirement age" can reduce the benefit received significantly.
- You need to understand that if retirement benefits are taken prior to your "full retirement age" and you have earnings above a determined amount (\$18,240 in 2020), your Social Security benefits will be reduced even further.
- You need to understand that delaying receipt of benefits past your "full retirement age" can significantly increase the benefits received.
- If you are part of a married couple, you need to understand the impact your decision could have on your spouse's benefits.

If part of your current decision-making process involves Social Security benefits, please seek consultation before filing for benefits. The decisions you make are very important and can have long lasting impacts.

Important Websites to Note:

- **Economic Impact Payments:** <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>
- **Unemployment Insurance:** <https://www.dol.gov/general/topic/unemployment-insurances>.
- **COBRA:** <https://www.dol.gov/general/topic/health-plans/cobra>
- **Federal Marketplace for Health Insurance:** <https://www.healthcare.gov/>
- **Federal Student Loans:** <https://studentaid.gov/announcements-events/coronavirus>
- **Federal Communications Commission:** <https://www.fcc.gov/keep-americans-connected#pledges>
- **Social Security Administration:** <https://www.ssa.gov/>

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