

Stimulus Payment FAQs

On March 13, 2020, the President of the United States declared a national emergency due to the COVID-19 pandemic and on March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which, among other things, authorizes economic impact payments (also referred to as “stimulus payments” or “recovery rebate payments”) to eligible individuals. The CARES Act required states to intercept federal stimulus payments to apply to overdue child support. Any amount of support collected will be retained by the state to the extent past-due support has been assigned to the state up to the amount necessary to reimburse the state for cumulative amounts paid to the family as assistance by the state and any amount collected that exceeds the amount required to be retained will be paid to the family.

What are the Stimulus Payments?

The CARES Act provides economic stimulus payments to American families who meet certain financial thresholds. The act provides payments of up to \$1,200.00 for adults who file a single tax return with an annual income of \$75,000.00 or less and \$2,400 for families filing joint returns who have a combined income of \$150,000.00 or less. The payments are reduced for parents who make more than these amounts and are completely phased out for single filers who make about \$99,000.00 and joint filers who make above \$198,000.00.

Are the Payments subject to offset for past due child support?

The stimulus payments are subject to interception for past-due child support. The CARES legislation specifically left in place the same language that applies to IRS offset payments that child support programs are required to intercept and apply to past due child support. Unfortunately, there is no way for the Child Support Program to differentiate between a normal tax offset payment and the stimulus payment, which are both defined as Federal Offset payments. The State of New Mexico, in addition to most other states, requested additional information from the Federal Office of Child Support Enforcement (OCSE) and we were directed to not treat these payments in a different manner.

All delinquent child support payors are certified for Federal Offset once their delinquency reaches the thresholds as defined by Federal regulations. This is electronic process that occurs every month between the State system and the Federal system. Once the delinquency payor is certified in the Federal system, the Federal agencies (OCSE and IRS) work together through their systems to verify the address that all notices are mailed to.

When will the Stimulus Payments be intercepted?

According to the federal government, the stimulus checks started being directly deposited into the accounts of citizens sometime around mid-April. Payments that are subject to interception for past-due child support are sent to New Mexico Child Support Services State Disbursement Unit who distribute them. If you have any questions, please feel free to contact the HSD Customer Service Contact Center at 1-800-288-7207.

How will I know if my Stimulus Payment is intercepted?

If your stimulus payment has been taken, the IRS will send you a letter notifying you that the payment will be sent to the New Mexico Child Support Services.

How much of my Stimulus Payment can be offset to satisfy my delinquent child support?

Your entire stimulus payment can be offset (applied), up to the amount of your child support debt.

If I owe back child support and am married filing jointly, will they take my spouse's Stimulus Payment?

If you are married filing jointly and your spouse filed an injured spouse claim with your 2019 tax return (or 2018 tax return if you haven't filed your 2019 tax return), half of the total stimulus payment should be sent to each spouse and only your payment will be offset for past-due child support. However, the IRS system had an error that resulted in spouse portions being intercepted even when an injured spouse claim was on file. The IRS is in the process of correcting their system and will be taking back that portion from states if it was disbursed. This could result in overpayment recouplements against custodial parties if they received these erroneous funds. More information can be found on the IRS website.

How do I know if I might get one of these payments?

If you received a letter from the IRS notifying you that funds were held to pay back child support owed by your spouse, you may be receiving one of these checks.

Is the IRS currently processing Injured Spouse claims?

Yes. If you have already filed an Injured Spouse claim, there is no action to take.

Who will receive payments from the IRS?

ALL joint filers who have not received their portion of the Economic Impact Stimulus Payments, regardless of whether or not they have filed an Injured Spouse claim. Payments are planned to begin in October.

Do those applying for Injured Spouse claims still need to submit Form 8379?

No. If you have not submitted a Form 8379, the IRS will still automatically issue your portion of the stimulus payment. Do NOT file Form 8379.

When will the IRS send Injured Spouse payments to joint filers?

The IRS will begin issuing these payments in October. The FAQ on the IRS website will be updated when a specific date is determined.

If New Mexico Child Support Enforcement Division is currently holding a joint tax refund payment, how long can it be held back?

By law it may be held up to six months after the collection is received. Due to COVID-19 this time frame will be extended until after December 31, 2020.

What if I WANT my payment to help pay off my spouse's case?

This is easy – once you receive your IRS check, simply make a payment to the New Mexico Child Support Enforcement Division. Payments instructions can be found at the link below:

<https://www.hsd.state.nm.us/LookingForAssistance/making-payments.aspx>

I am experiencing a hardship due to COVID-19. Can I request a refund of my Stimulus funds?

No, the CARES Act did not grant states any authority to reduce or eliminate the intercept due to hardship.

Will the additional \$500 Stimulus Payment for each child in my household also be intercepted?

Yes, as with other tax refunds, any amount due to you is intercepted.