



May 11th, 2020

RE: IRS Economic Impact Payment aka Stimulus Payment

Dear Client:

I wanted to thank you all for adapting with us as we try to navigate these uncharted territories together. Our collective efforts are helping in “flattening the curve” and I think we should be proud of ourselves for weathering through this far.

To help Americans, the federal government had released the Economic Impact Payment (EIP) for eligible individuals starting April 16th. There have been a lot of questions about how things would work and/or why some people still have not received their EIP. At this time, our knowledge is limited to what was provided publicly. Unfortunately, IRS has suspended telephone services so we cannot call IRS to ask about individual accounts. The best source of information is their website, which IRS actually updates a few days at a time: <https://www.irs.gov/coronavirus/economic-impact-payments>. You can also use this website to see if you fit the eligibility. You do not need to rush to file your 2019 return just to get the EIP. Just a reminder: 2019 individual tax returns are due July 15, 2020.

This memo specifically addresses eligible individuals who still have not received their EIP.

For those who are considered Non-Filers, like those whose income is too low for filing obligation or whose only form of income is Social Security benefits, check out the link: <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>. There, you can verify yourself and update the IRS with your direct deposit information, so they know where to send your payments. Non-Filers DO NOT have to file a 2019 tax return to get the EIP.

For those eligible individuals who still have not received their EIP, check the Get My Payment link for the status: <https://www.irs.gov/coronavirus/get-my-payment>. It is likely your payment is pending an updated direct deposit information. Even though you received a state refund or your taxes were directly debited from your bank account, the IRS still needs your manual update for your direct deposit information via Get My Payment. It is worth noting that when you get to the question about entering the amount of your refund or taxes owed, take out the interest portion (for those who filed late). e.g. If you had owed \$335 because of \$7 of interest, you would input \$328 into the website instead.

For those who are seeing the “Status Unavailable” status on the Get My Payment system, it is possible that IRS still has not processed your information yet. The EIP system seems to be issuing eligibility on a rolling basis through July. Therefore, you can check the Get My Payment system once a day (updated every 24 hours) until the status changes. If you still do not receive an update by August, then hopefully the IRS call centers will be available by then to inquire about the EIP.

For those who believe they did not get their full amount of \$1,200 in EIP and/or \$500 per qualified dependent (under the age of 17), keep in mind that your EIP phases out at a rate of about \$0.05 per \$1 of your AGI over \$75,000. e.g. If you had an AGI of \$85,000, then your payment will be reduced by \$500 (\$10,000 excess x 0.05). In that example, you can

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expect an EIP payment of \$700 (\$1,200 – 500). If you believe your amount is still not correct, IRS is planning to allow for a claim request that can be filed with the 2020 tax prep (during the 2021 tax season).

IRS released an update stating to check the online website by 5/13 Wednesday 9AM PT (12PM ET) to provide your direct deposit information otherwise they will default to sending you a paper check instead.

Please do not feel dismayed if you are eligible but still have not received the EIP. A general poll showed that 54% of people did not receive their EIP during the first 2 weeks of issuance. However, it seems like more and more clients are getting updates that they are eligible. If the online resource does not work, it is more than likely that you can expect a check instead a direct deposit sometime in June - August.

I also wanted to bring your attention about many scammers who are out to try to obtain your confidential information especially during these times. The IRS will NOT call or email you directly to ask for your information. If you receive such call, let them know that you will work with your accountant to get back to them if necessary. If you receive such emails, either delete or forward them to us to verify the legitimacy of the message.

As always, if you have any other questions, please feel free to reach out to us and we will try to assist however we can.

In addition, as the State orders are starting relax, our office wants to continue safe distancing, meaning we would like to minimize face-to-face interactions by continuing to encourage clients to send paperwork via mail, digital portals, or drop-offs. However, we still start to allow in-person visitations starting May 18th. For the protection of our clients and our staff, our office will maintain the following policies:

1. Everyone in the office is required to wear masks or any form of coverings that completely covers the mouth and nose.
2. Advance appointments are required for anyone seeing a preparer or associate, otherwise, you will not be allowed through the lobby.
3. Due to office size restrictions, only one guest is allowed per visit except for Steven, Mike and myself, in which two guests are allowed per visit.

Please stay safe and healthy, maintain social distancing, and regularly wash hands.

Sincerely,

A handwritten signature in black ink, appearing to be "Jonathan Kang", written in a cursive style.

Jonathan Kang, CRTP
KSGA, LLP

CC: Steven YC Kang, CPA

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