



CCM COVID-19 ALERT

May 07, 2020

STIMULUS CHECKS TO DECEASED MUST BE RETURNED

On March 27, 2020, federal lawmakers approved a \$2 trillion stimulus package to reduce the economic impact of the COVID-19 National Emergency. A part of that package was a onetime cash payment of \$1,200 to qualifying American citizens.

Only people alive at the time of receipt are eligible for stimulus payments. However, in the pandemonium of issuing almost 155 million stimulus checks, the IRS inevitably issued many payments to deceased individuals. This has caused a great deal of confusion among surviving family members and beneficiaries of estates that have received such payments.

To clarify the issue, on May 6, 2020, the IRS issued [guidance](#) stating “A [stimulus] Payment made to someone who died before receipt of the Payment should be returned to the IRS”. FAQ #10 of the guidance goes on to state that recipients of checks for deceased persons should “[r]eturn the entire Payment unless the Payment was made to joint filers and one spouse had not died before receipt of the Payment, in which case, you only need to return the portion of the Payment made on account of the decedent. This amount will be \$1,200 unless adjusted gross income exceeded \$150,000.”

The IRS has not specified what measures will be taken to penalize people who do not return erroneous stimulus checks, and there is no provision in the CARES Act to take

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back stimulus checks disbursed by the IRS in error. However, recipients should be wary.

Lawmakers are issuing new rules and guidance as the situation develops. They will likely provide clarity on penalties for improperly retained checks in the near future; penalties may very well include interest charges on payments not returned, or steep fines.

Instructions on returning stimulus checks can be found below or on the official IRS [FAQ](#).

If the Payment was a paper check and it hasn't been cashed:

- Write "Void" in the endorsement section on the back of the check.
- Mail the voided Treasury check immediately to the appropriate IRS location for your state.
- Don't staple, bend, or paper clip the check.
- Include a note stating the reason for returning the check.

If the Payment was a paper check and you have cashed it, or if the Payment was a direct deposit:

- Submit a personal check, money order, etc., immediately to the appropriate IRS location for your state.
- Make the check/money order payable to "U.S. Treasury" and write "2020EIP," and the recipient taxpayer's identification number (Social Security

number, or individual taxpayer identification number) on the check.

- Include a brief explanation of the reason for returning the Payment (e.g., recipient died on ____, 20__).

To return checks for recipients in Illinois mail to: Philadelphia Refund Inquiry Unit, 2970 Market St, DP 3-L08-151, Philadelphia, PA 19104.

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