



Financial Assistance Provisions in the CARES Act that May Impact Graduate Students

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Below is a summary of major provisions recently passed into law that were included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.* These provisions are ones that may assist graduate students. Please note this document may be updated/amended and should be considered a working document.

Stimulus Payments

Sec. 2201 Recovery Rebates for Individuals

Graduate students *may* qualify for the “stimulus check” payment of up to \$1,200 per person if a student is:

- Is considered “independent” (i.e., is not claimed as a dependent by a parent or other individual for tax filing purposes)
- A U.S. citizen or legal resident
- Has a Social Security number
- Have filed taxes in 2018 or 2019 (the [IRS notes](#) that “The IRS will use the information on the Form SSA-1099 or Form RRB-1099 to generate Economic Impact Payments to recipients of benefits reflected in the Form SSA-1099 or Form RRB-1099 who are not required to file a tax return and did not file a return for 2018 or 2019.”)

The amount an individual can receive is determined by their Adjusted Gross Income (AGI) from their 2019 tax return filing (or 2018 if they have not yet filed for 2019; the 2019 tax filing deadline has been moved to July 15, 2020). Filers who claim eligible dependents will receive an additional \$500 per dependent.

Filer	AGI	Amount Eligible to Receive
Single	\$75,000 or less	\$1,200
Married filing jointly	Combined \$150,000 or less	Each receive \$1,200
Single filer; head of household	\$112,500 or less	\$1,200

The IRS will automatically send payments via direct deposit or via check in the mail and will be available through the rest of 2020.

Unemployment Benefits

Sec. 2102 Pandemic Unemployment Assistance

Sec. 2104 Federal Pandemic Unemployment Compensation

Sec. 2107 Federal Emergency Unemployment Compensation

*The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) (P.L. 116-136) (“Phase 3”) was passed into law on March 27, 2020.

The CARES Act includes three major provisions to expand unemployment benefits. CGS has created a separate document summarizing these changes. The eligibility requirements for qualifying for benefits are nuanced and some are contingent upon where an individual is eligible for benefits according to current state law.

Grant Aid

Sec. 3504 Use of Supplemental Educational Opportunity Grants for Emergency Aid

The CARES Act provides regulatory flexibility in that institutions of higher education are able to use Supplemental Educational Opportunity Grants funds to be dispersed as emergency aid for both undergraduate and graduate students.

Sec. 3505 Federal Work Study During a Qualifying Emergency

The CARES Act provides regulatory flexibility in that institutions of higher education can continue making Federal Work Study payments to students for a period of up to one year, even if the student is unable to perform the required work to due to COVID-19 disruptions.

Sec. 3519 Service Obligations for Teachers

The CARES Act allows the Secretary of the Department of Education to modify service obligations for TEACH Grant recipients. Waives requirement that years of teaching service need to be consecutive if the service is interrupted by a qualifying emergency related to COVID-19.

Federal Student Loans

The CARES Act includes a number of provisions to temporarily make federal student loans less burdensome for borrowers. These changes impact borrowers who are students as well as ones already in the workforce.

For students, Sec. 3506 Adjustment of Subsidized Loan Usage Limits would **exclude the amount of loans borrowed from counting towards annual and lifetime limits** if the borrower is unable to complete the academic term due to the impact of COVID-19.

Additionally, for both students and graduates, Sec. 3513 Temporary Relief for Federal Student Borrowers **suspends payments on federal Direct Loans through September 30, 2020** (other types of loans do not qualify). **Interest on loans are also suspended** (i.e., the interest rate is set to 0%).

Borrowers do NOT need to contact their loan servicer to put payment and interest suspensions into effect. This will be done automatically for the period of March 13-September 30, 2020. If a borrower makes a payment during this period, they may request a refund. If a borrower continues to make payments during this period, the payments will be directly applied to the principle amount.