

Special stimulus payment details for recipients of Social Security, veterans benefits



**INTERNAL REVENUE SERVICE
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“Leave no man behind” is a proud military tenet. It has a sacred meaning on the battlefield for the men and women of our armed forces. But it also has application in everyday life. Hundreds of thousands of veterans and their survivors are at risk of being left behind when it comes to the Economic Stimulus Payments that will be paid this summer.

Congress passed, and the President signed into law, a provision to pay so-called “rebates” to Americans who file tax returns. In so doing, they also extended the payments to include veterans and Social Security recipients who ordinarily do not have to even file a tax return. The minimum payment for those who qualify is \$300 for individuals and \$600 for married couples filing a joint income tax return.

The payments will be calculated by the IRS based on tax returns filed now through the end of 2008 reporting income received and taxes due for the 2007 tax year. But since some veterans and their survivors don’t make enough income to have to file a tax form there is great concern that they might miss the opportunity to receive money coming to them.

This year, veterans who do not otherwise have to file anything with the IRS will want to send in a tax form in order to receive a stimulus payment, according to the Internal Revenue Service. This applies to veterans and their survivors who receive certain pension and disability payments which are not taxable.

Veterans who have income other than veteran’s benefits and are required to file a tax return and pay taxes for 2007 have nothing more to do. They will automatically receive their economic stimulus payments after they file their tax forms, beginning this summer. This would include people who receive non-taxable pension or disability payments from the VA, but who also work and earn enough to have to file and pay taxes.

But veterans who receive VA pension or disability payments, sometimes in combination with Social Security or Railroad Retirement Tier I payments (generally none of which are taxable) will need to file an abbreviated tax form this year so the IRS can send them the stimulus payment they are entitled to receive.

Here is how it works.

Those who have no tax liability and are not required to file a tax return may qualify for a minimum payment of \$300 (\$600 if filing a joint return) if they send the IRS a simple tax return that reflects \$3,000 or more in qualifying income. For the purpose of the stimulus payments, qualifying income includes veterans’ disability compensation, and pension or survivors’ benefits received from the Department of

Veterans Affairs in 2007. Specifically, compensation or pension received under chapter 11, chapter 13, or chapter 15 of title 38, United States Code will qualify.

The compensation under those code sections includes:

- Monthly payments to veterans of the armed forces who are disabled as a result of injuries or diseases incurred or aggravated during active service, i.e., who have “service-connected disabilities.” Payments vary with degree of disability and numbers of dependents (spouse, children).
- Monthly payments to surviving spouses; children (if no qualified surviving spouse); and low-income parents of members who die in active service, or veterans whose deaths are “service connected” (the result of service-incurred or service-aggravated injuries or diseases).
- Monthly benefits paid to surviving spouses, or to children if there is no qualified surviving spouse, of veterans whose deaths are not service connected but who suffered from total, service-connected disability for specified periods immediately prior to their deaths.

Also included are those who receive a disability pension which is monthly need-based payments to certain wartime veterans who suffer from permanent and total, non-service-connected disability, or who are age 65 and older. Death pension payments are the final category which are monthly need-based payments to surviving spouses, or, if no qualified surviving spouse, children, of certain wartime veterans.

Here is what to do.

Those who are not required to file a 2007 return but whose total qualifying income (including earned income, Social Security, certain Railroad Retirement and any of the veterans’ benefits stated above) would equal or exceed \$3,000, should file a simple tax return reporting the income and benefits to establish eligibility. You can use a Form 1040A and report the total of your benefits on Line 14a, or you can use a Form 1040 and report the total of your benefits on Line 20a. Please note that both of these lines refer only to Social Security, but you should enter the total of all your benefits received there, whether your only benefits were veterans’ benefits, or a combination of any of the three (Social Security, Railroad Retirement, or veterans’). If you have any earned income, it is reported on a separate line, Line 7, of either form.

Your name, Social Security number and signature (those entries for both you and your spouse if filing jointly), as well as your address, filing status and whether or not you’d like to receive your payment via Direct Deposit, are the only other items needed on the tax return. No other lines need be filled in. A sample 1040A showing the minimal information needed can be viewed on the IRS Website at irs.gov and used as a model for completing the form.

The IRS emphasized that people with no filing requirement who turn in a tax return to qualify for the economic stimulus payment will not get a tax bill. People in this category will not owe money because of the stimulus payment. The stimulus payments are not taxable.

More information on these economic stimulus payments is available on www.IRS.gov. Just click on “Rebate questions” link. IRS wants to make sure that no one who is qualified for a payment gets left behind.

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