

March 18, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-232  
United States Capitol  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
H-204  
United States Capitol  
Washington, D.C. 20510

RE: Direct Cash Support for Americans

Dear Speaker Pelosi and Leader McCarthy:

As the Coronavirus pandemic sweeps the globe, we face a second and potentially more severe economic shock to challenge American life this generation. Over the course of one week, our communities have taken necessary steps to engage in social distancing. A consequence of these public health measures is the wholesale reduction in workers' hours or even the elimination of their jobs entirely. American families in every state are trying to determine how they will cope in these grim economic conditions.

Direct cash support to American workers and families is an essential component to any economic relief measures Congress considers. Our constituents should not have to make the choice between putting food on the table or meeting their core financial obligations – paying rent, mortgage, and bills. We must be proactive in our solutions and provide significant assistance, quickly, directly, and consistently.

We propose sending staggered payments directly to American families on a quarterly basis. The first payment would be \$2,000 per American to accommodate the gravity of this economic shock. Subsequent payments will reduce over time as our economy recovers, and the duration of the payments will be tied to specific economic triggers. Payments will only terminate after unemployment drops to less than 0.5 percentage points above the levels experienced before the Coronavirus sparked downturn. For higher income earners, we propose a graduated phaseout of the payments. Attached to this letter is a detailed outline of our proposal.

The Families First Coronavirus Response Act is a bold and vital first step to delivering immediate assistance to workers and families by providing testing, paid sick leave, support for state unemployment divisions, food assistance, and health care support for states through Medicaid.

Nevertheless, we must do more for the people, small businesses, and state and local governments facing the brunt of this crisis. We support and appreciate the plans being

developed by Democratic Leadership to strengthen critical social safety programs. The economic support payments we propose are intended to supplement those plans.

Crises of this scale require solutions commensurate with the challenge at hand. We urge you to consider this proposal.

Sincerely,

Rep. Madeleine Dean      Rep. Donald S. Beyer Jr.

Enclosure: Appendix: Coronavirus Economic Support Payment

## **Appendix: Coronavirus Economic Support Payments**

Following is an outline of a proposal for economic support payments to support families and workers through the COVID-19 state of emergency and to provide continued assistance as the economy returns to health:

- Initial Payment (to cover first 3.5 months, mid-March through June 2020):
  - \$2,000 payment per:
    - Adult not on Social Security
    - Child or non-child dependent
    - Social Security, VA benefit, SSI recipients (added to their earliest possible benefit check)
  - Eligibility/Administration:
    - Workers who file for Tax Year 2019
    - Non-filers can file a simple 1040 separately
    - Seniors on Social Security will receive payment from the Social Security Administration (SSA); Veterans from the Veterans Administration (VA); Supplemental Security Information (SSI) recipients from SSA
  - Pay SNAP/TANF recipients via electronic benefit transfer (EBT), where federal-state data sharing is possible
  - Phased out for higher-income taxpayers, with a phase-out rate of 5% of the aggregate credit amount
  
- Second Potential Payment (July – September 2020):
  - Additional payment of \$1,500
  - Triggers:
    - Public health emergency continues into July certified by the Secretary of Health and Human Services AND an Economic Turmoil Determination by Treasury Secretary
    - OR unemployment is at least 1 percentage point higher in June than three month moving average in December 2019 — February 2020, as reported in July
  - Half payment of \$750 per person if June unemployment is 0.5 percentage point above December 2019 — February 2020 average
    - Eligibility: Same as above
  
- Additional Quarterly Payments (October-December 2020 and beyond):
  - Additional payment of \$1,000 per quarter
  - Trigger:

- Economic turmoil designation by Treasury Secretary AND Unemployment rate in last month of previous quarter (i.e. September, as reported in October) is up at least 1 percentage point vs. December 2019 — February 2020 average
- Half payment (\$500) if unemployment rate remains at least 0.5 percentage points above December 2019 — February 2020
- Eligibility: Same as above

NOTE: None of these payments will count toward eligibility asset limits for other benefit programs, such as SSI, SNAP, LIHEAP, or TANF