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Electrical Work
for Electrical Workers


International Brotherhood of Electrical Workers

Local Union No. 176 Joliet, Illinois

April 3, 2020

Brothers and Sisters,

Last Tuesday, Governor Pritzker announced he was extending the state's stay-at-home order and keep schools closed through April 30th. To comply with the CDC's guidelines on social distancing and to comply with the Governor's order, **we have decided to cancel the April 9th monthly union meeting.** We are hopeful that this will be the only monthly union meeting we have to cancel, but we will do what is necessary and recommended by health professionals until this COVID-19 situation has passed.

In response to the COVID-19 Pandemic, the federal government passed into law the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). We have been going through the provisions of the CARES Act and found three provisions that directly affect our membership. First, there is significant relief in the form of direct monetary payments to a large portion of the population. Secondly, there are expanded unemployment protections for displaced workers. Finally, there are changes to the rules that govern hardship withdrawals from pension plans. The CARES Act contains the following key provisions:

1. DIRECT PAYMENTS TO INDIVIDUALS:

The CARES Act provides one-time NON-TAXABLE payments of \$1,200 for all individuals making up to \$75,000; or \$12,500 for any head of household. Married couples making up to \$150,000 who file a joint return are eligible for \$2,400. These amounts increase by \$500 for every dependent child under the age of 17. For example, a family of four would be entitled to a maximum of \$3,400 unless a phase out applies. Several calculators are available for free online if a person wants to know the exact amount he or she will receive. The details and conditions attached to the payment are as follows:

How much is the Payment? The amount is completely phased-out for single filers with incomes exceeding \$99,000, \$136,500 for head of household filers, and \$198,000 for joint filers. The amount an individual is entitled to is reduced by \$5 for each \$100 a taxpayer's income exceeds the applicable phase-out threshold. For example, if a single individual made \$85,000 in 2019, he or she will receive \$700. That is because the income phase out for individuals begins at \$75,000. An individual is entitled to a one-time \$1,200 payment. But the extra \$10,000 above the threshold reduces the amount to which the individual is entitled.

When will I get the Payment? The bill does not explicitly state when the payments will be made. However, on March 25, 2020, the Treasury Secretary said the checks will be sent out within three weeks. Historically, in 2001 it took six weeks to send out rebate checks, and in 2008 it took three months after a stimulus package was signed into law before payments were sent. Therefore, payments could be made within three weeks, but based on prior history with stimulus payments, it likely will take a little longer.

Who is eligible for the Payment? Individuals do not need to do anything if they have been working and paying taxes since 2018. If a person filed taxes for 2019, the adjusted gross income on that return is the information the Treasury Department will use to determine their benefit amount. If they have not filed for 2019, the Treasury Department will use 2018's tax return. The Treasury Department will also do a public outreach program for people who did not file a tax return for 2018 or 2019. If a person has moved since he/she last filed taxes, he/she will need to update his/her address with the IRS.

How will I receive the Payment? If a person has received his/her tax return in the last two years by direct deposit, that is how the money will be deposited. If a person's banking information has changed, it

might be worthwhile to notify the IRS of the change. If no direct deposit arrangement is in place or your banking information is no longer current, the IRS will mail a check to a person's last known address, and it has 15 days to notify them of the method and amount of the payment.

Are disabled or retired individuals eligible for Payments? Individuals who are collecting Social Security benefits for retirement, disability, or Supplemental Security Income will be eligible for the stimulus checks, based on their tax returns or Social Security Administration data.

What happens if I do not receive the Payment? The IRS will send a notice no later than 15 days after the payment is made indicating : 1) the method by which the payment was made; 2) the amount of such payment; and 3) a phone number for the appropriate point of contact at the IRS for failure to receive such a payment.

2. UNEMPLOYMENT INSURANCE:

Individuals receiving unemployment benefits will receive an additional \$600 each week above what they would receive in regular unemployment benefits until July 31, 2020. This will not be retroactively applied to unemployment benefits received in the past. For example, in Illinois, the maximum weekly benefit is \$471. Under the CARES Act, an individual qualifying for the maximum weekly benefit would now receive \$1,071 in a weekly benefit (\$471 + \$600). The CARES Act also extends unemployment benefits to individuals-including individuals who would not otherwise ordinarily be entitled to unemployment benefits, such as self-employed individuals, independent contractors, individuals without a sufficient work history to qualify for benefits, and individuals who have previously exhausted their benefit entitlement-who are unemployed, partially unemployed, or unable or unavailable to work because of several COVID-19 related reasons enumerated in the CARES Act. The qualifying reasons are expansive, and are as follow:

1. The individual is diagnosed with COVID-19;
2. The individual has symptoms of COVID-19 and is in the process of seeking a medical diagnosis;
3. A household member has COVID-19;
4. The individual is providing care to a household member with COVID-19;
5. A child or other person in the household for which the individual is the primary caregiver is unable to attend school or daycare due to COVID-19;
6. The individual is unable to reach work due to a quarantine;
7. The individual is unable to attend work because a healthcare professional advised him or her to self-quarantine;
8. The individual is scheduled to commence employment and does not have a job or is unable to reach the job as a direct result of COVID-19;
9. The individual is the sole wage earner in his or her household due to death of the head of household as a result of COVID-19;
10. The individual was required to quit his or her job as a result of COVID-19;
11. The individual's place of employment closed due to COVID-19; and
12. The individual is self-employed, is seeking part-time employment, does not have sufficient work history, or otherwise would not qualify for unemployment benefits under another state unemployment program.

Will I receive an Unemployment Benefit for the first week that I file? Yes. Under the CARES Act, the federal government would fully finance the first week of unemployment benefits through December 31, 2020, for states that lift the one-week waiting period. Illinois has lifted the one-week waiting period.

If I am receiving benefits, do I need to file an application for unemployment to receive the additional \$600 benefit payment? No, if you have filed an unemployment application and it is being processed or you have an existing unemployment claim, there is nothing else you need to do to receive the additional benefits. We will begin issuing those payments as they become available.

What do I do if I have already received my maximum benefits? Individuals who have received their entire 26 weeks of regular unemployment benefits will be eligible for thirteen (13) additional weeks of benefits under the CARES Act.

Who is excluded from the additional Unemployment Benefit? Excluded from the receipt of benefits are: 1) individuals who can telework with pay; and 2) individuals who are receiving paid sick leave or other paid leave benefits, even if they would otherwise qualify for benefits.

3. WITHDRAWALS FROM RETIREMENT PLANS:

The following provisions would apply to our defined contribution pension plan.

10 Percent Tax Penalty Waived for Coronavirus-related Distribution: The tax code provides that a taxpayer is required to pay a 10% penalty on the early distribution, hardship, from their defined contribution pension plan. However, the CARES Act removes this 10% penalty for a coronavirus-related distribution made between January 1, 2020 through December 31, 2020 up to \$100,000.

What is a Coronavirus-related Distribution? The eligibility of a Coronavirus-related distribution is very broad. An individual is entitled to a Coronavirus-related distribution when an individual, their spouse, or dependent is diagnosed with Coronavirus. Additionally, an individual is entitled to a distribution when they have experienced adverse financial consequences from Coronavirus resulting from: 1) being quarantined, furloughed, or laid off; 2) having their work hours reduced; 3) being unable to work due to lack of child care; or 4) closing or reducing hours of a business they owned or operated.

What Evidence is Required to Approve a Coronavirus-related Distribution? Our plan will rely on our plan participants certification that they satisfy the conditions of a Coronavirus-related distribution.

What is the Effect of a Coronavirus-related Distribution on an Individuals Gross Income? Generally, when an individual takes a hardship distribution from our plan, the amount received is treated as part of the individual's gross income for tax purposes. However, when an individual has a Coronavirus-related distribution, the amount required to be included in gross income can be spread over three (3) years. This only applies to an individual's federal income tax and not the state income tax.

We will continue to keep everyone informed of this ever-changing situation. Work has already begun on another piece of legislation designed to address the issues caused by the COVID-19 outbreak. We are in continual conversation with policy makers to make sure the needs and concerns of our membership is heard and addressed in any future legislation. This is a stressful and challenging time for many. Please remember to stay united and be patient and kind to each other.

Thank you and stay safe.

In Solidarity,



Michael J. Clemmons

Business Manager