

7.0 SOCIAL SECURITY, BANKING, & FINANCIAL ISSUES

SOCIAL SECURITY

7.1 Social Security Office Closures

The Social Security Administration (“SSA”) closed all local, hearing, and regional offices to in-person visitors on March 17, 2020, due to the COVID-19 public health emergency. However, SSA is currently in the process of reopening the majority of offices to in-person business. All offices allowing in-person visits allow visits without appointments, however appointments are still suggested. Additionally, most in-person business such as interviews, appointments, and hearings can still be conducted remotely over the telephone or via MS Teams.

7.2 FAQs—Social Security

Q. 7-1 Will I continue to get my SSA benefits?

Yes. SSA continues to make regularly-scheduled Retirement, Survivors, Disability Insurance, and Supplemental Security Income benefits payments.

Q. 7-2 How can I conduct business with SSA, such as file a new application for benefits or report changes?

Most SSA business can be conducted online or over the telephone. This includes filing new applications for some types of benefits, appealing SSA determinations, and updating personal information. To see a complete list of what business can be conducted online please visit the [SSA’s website](#). If you are unable to perform a desired task online, you can still conduct most business with SSA over the telephone. Sometimes this will require SSA to mail you paperwork that you complete and mail back. Any documents that you mail to SSA should be mailed certified mail with return receipt requested to ensure that they are received on time. To contact SSA over the phone, please call 1-800-772-1213. Finally, most SSA offices have reopened to in-person business. Please contact your local office for information about scheduling an in-person visit for business that cannot be accomplished online or over the telephone.

Q. 7-3 Can I still apply for benefits?

Yes. SSA is still accepting new applications for benefits and we encourage anyone who may be eligible to apply as soon as possible. If you need to apply for benefits you can either complete an application online or contact SSA over the telephone and ask to file an application.

Q. 7-4 What if I have an appointment or hearing scheduled with SSA?

If you have an in-person appointment or hearing scheduled with SSA, you should immediately contact SSA to find out about their specific COVID-19 safety protocols.

Q. 7-5 I received a notice or letter from SSA asking me to provide information or appeal a decision if I disagree. Do I need to respond by the stated deadline?

Yes. You should file all responses within the stated deadlines. This is the only way to ensure that your filing is accepted. Most appeals can be filed online without a visit to your local SSA office.

BANKING & FINANCIAL ISSUES

7.3 Common Tax Relief after Disasters

The IRS website has a dedicated disaster section where it posts updated information regarding current disasters and tax relief available to disaster survivors. The web page provides a comprehensive set of FAQs for disaster survivors. The IRS also maintains a “Disaster Relief Resource Center for Tax Professionals” on its website to provide resources for advocates assisting disaster survivors with tax issues. Advocates and disaster survivors should use the IRS webpage as a starting point for their research. In recent disasters, the American Bar Association has shared with pro bono tax advocates the disaster tax chapter of its treatise, “Effectively Representing Your Client Before the IRS.”

Shortly after a disaster declaration, the IRS posts notices and news releases on its website describing extensions to filing and payment deadlines, along with other tax relief for affected taxpayers. All applicable IRS notices and news releases should be read carefully to determine which deadlines are extended, for how long and for which taxpayers.

The IRS also staffs a Disaster Assistance Hotline 1-866-562-5227 for general customer service inquiries relating to disaster relief. Calls are only answered on weekdays from 7:00 A.M. to 7:00 P.M., local time. Callers may need to provide their own interpreter. Most affected taxpayers will not have to take any action. IRS computer systems automatically identify taxpayers located in covered disaster areas and apply filing and payment relief to those accounts. Taxpayers who reside or have a business outside the covered area, or those who moved to the covered area after their last contact with the IRS must call the Disaster Assistance Hotline to request relief.

During the disaster relief period, the IRS suspends mailing of notices to taxpayers; collection activities (including liens, levies and seizures); examination activities; and applies special penalty and interest computations. In past years, Congress has provided for special treatment of retirement plan distributions for taxpayers in disaster areas, i.e., waiving the 10% early distribution penalty. However, caution should be taken to ensure this applies to future disasters because this is an act of Congress, not the IRS.

For all federally declared disasters, installment agreement payments that come due during the disaster period are automatically suspended. The taxpayer must resume payments the month after the disaster relief period ends. However, taxpayers enrolled in automatic direct debit installment agreements must take affirmative action to prevent automatic drafts during the disaster relief period by calling the Disaster Assistance Hotline. During the COVID-19 pandemic, the IRS advised taxpayers to contact their banking institution to stop payments during the defined disaster period due to large call volumes and its limited resources.

Disaster survivors may need quick access to prior year tax data to file an amended tax return to claim disaster losses in a prior year as allowed under [26 U.S.C. § 165\(i\)](#); to prove business income for business interruption insurance claims; or for any number of other disaster-related exigencies. The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns and tax return transcripts. Disaster survivors must write the assigned disaster designation (e.g., “Texas, Hurricane Harvey”) in red ink at the top of [Form 4506](#) (Request for Copy of Tax Return) or [Form 4506-T](#) (Request for Transcript of Tax Return), as appropriate, to avoid fees and expedite processing. A Tax Return Transcript shows entries as

they appeared on the originally filed tax return, which will assist in preparing an amended return. The Tax Return Transcript is not a copy of the tax return. Other transcripts that may be helpful in preparing a missing or an amended tax return are the Account Transcript and the Wage and Income Transcript. Account Transcripts show whether a tax return was filed and any additional activity for a specific tax year. Wage and Income Transcripts provide income information reported to the IRS by third parties for a specific tax year. Taxpayers or their authorized representative may call 1-800-908-9946 or the Disaster Assistance Hotline to request transcripts free of charge. Taxpayers may be able to access transcripts free of charge through the IRS website by choosing the “Get Your Tax Record” button located on the homepage and creating an account.

Taxpayers claiming disaster losses on an amended tax return to access cash refunds must write the disaster designation in red across the top of Form 1040X to ensure the IRS applies expedited processing procedures. In the past, the average expedited processing time was sixty days. However, at the beginning of the COVID-19 pandemic, the IRS stopped opening mail for several months, which resulted in a backlog of correspondence. To date, the IRS continues to have extraordinarily lengthy delays for correspondence processing and extremely limited resources for telephone assistance. Taxpayers experiencing economic hardship should apply for a manual refund through the Taxpayer Advocate Service (TAS), an independent branch of the IRS that assists taxpayers experiencing financial hardships. An application for TAS assistance can be made by faxing a completed Form 911 to your local TAS office. In such a case, do not file the amended tax return by mail. Instead, attach it to the Form 911 so it can be manually input by the advocate assigned to assist with the manual refund request. Visit the IRS [Taxpayer Advocate](#) website for more information.

Qualified disaster relief payments under [26 U.S.C. § 139](#) are not taxable income to disaster survivors to the extent the reimbursed expense was not compensated for by insurance or otherwise and has not been deducted on a prior year tax return. Qualified disaster relief payments include payments to reimburse reasonable and necessary personal, family, living or funeral expenses incurred as a result of the disaster; reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence (even if rented); and expenses incurred to repair or replace contents of a personal residence. Disaster relief payments may also qualify under the “general welfare” exclusion found in [§ 139\(b\)\(4\)](#).

Many disaster survivors lose some or all of their records in the disaster. In such situations, taxpayers will need to reconstruct business records or collect other documents adequate to prove eligibility for tax deductions and credits, apply for federal disaster assistance and substantiate insurance reimbursement claims. IRS Publication 2194 Disaster Losses Kit for Individuals provides more information on how to reconstruct records after a disaster.