

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 has now reopened 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 SSA Overpayments

SSA recognizes that COVID-19 office closures and difficulties in contacting SSA during that time resulted in a large number of overpayments of SSA benefits during the pandemic. To address these issues, SSA has recently revised its overpayment waiver process. If you received an overpayment for incorrect SSA benefits payments made during the COVID-19 pandemic or as a result of challenges you faced reporting changes in circumstances to SSA due to COVID-19, you may be eligible for waiver of that overpayment. You should make sure to tell SSA about any COVID-19 related challenges that contributed to creating the overpayment or prevented you from reporting information to SSA during the public health emergency.

Additionally, SSA will now waive most overpayments of less than \$2,000 automatically upon a request from the overpaid individual. You can request a waiver of your overpayment by completing a Request for Waiver of Overpayment Recovery form (SSA – 561) and submitting it to your local SSA office.

7.3 FAQs—Social Security

Q. 7-1 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.

Q. 7-2 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. 7-3 *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 review the hearing procedure guidelines provided with your hearing notice or contact the SSA hearing office to find out about any specific COVID-19 safety protocols that still remain in place.

Q. 7-4 *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.

7.4 Common Tax Relief after Disasters

Federal income tax relief usually takes the form of extensions of some filing and payment deadlines, temporary suspension of payment agreements, and the possibility of filing a current or amended tax return to claim a disaster loss and secure a refund.

Shortly after a disaster declaration by the President, the IRS posts notices and news releases on its website describing the tax relief for affected taxpayers. The IRS website has a dedicated disaster section where it posts updated information regarding current disasters and tax relief available to disaster survivors. All applicable IRS notices and news releases should be read carefully to determine which deadlines are extended, for how long and for which taxpayers. By visiting <https://www.irs.gov/newsroom/tax-relief-in-disaster-situations> you can search for announcements on disaster relief by state and by year.

The IRS also staffs a Disaster Assistance Hotline (1-866-562-5227) for customer service inquiries relating to disaster relief. Calls are answered on weekdays from 7:00 A.M. to 7:00 P.M., local time. However, most affected taxpayers will not have to take any action to avail themselves of the extended deadlines and pauses in collection. IRS computer systems automatically identify taxpayers located in covered disaster areas and apply filing and payment relief to those accounts. Disaster-affected taxpayers who reside 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), and examination activities, and applies special penalty and interest computations. However, caution should be taken to ensure this applies to future disasters as this is an act of Congress, not the IRS. Furthermore, some important deadlines, mostly notable the 90-days to file in US Tax Court to challenge a proposed assessment in a Notice of Deficiency, are jurisdictional and cannot be extended by a disaster declaration.

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 or calling their banking institution to stop automatic payments on an installment agreement during the designated disaster period.

Previously, relief tax relief for distributions and loans from retirement plans and IRAs depended on Congressional enacted on a year-by-year basis. In late 2022, The SECURE Act 2.0 amended the Internal Revenue Code to provide for special rules for early retirement plan distribution and retirement loans in all federally declared major disasters. This relief includes automatic waiver of 10% early distribution penalty and taxation of the distribution over a 3-year period for disaster-related distributions up to \$22,000.

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 as well as tax return transcripts. A tax return transcript shows entries as they appeared on the originally filed tax return, which will assist in preparing an amended return, but 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. The fastest way to obtain a transcript is to establish and use an Individual Online Account to view and download the documents immediately. However, disaster survivors may lack a government ID document needed to set up this account, and taxpayers have other options to obtain tax transcripts, which are always free. When using IRS forms to request copies and transcripts, disaster survivors must write the assigned disaster designation (e.g., “Texas, Beryl”) 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. Taxpayers can also make a request online that transcripts be mailed to them by going to the IRS website (<https://www.irs.gov/individuals/get-transcript>), or they or their authorized representative may call 1-800-908-9946 or the Disaster Assistance Hotline to request transcripts free of charge.

Some taxpayers can benefit by claiming disaster losses on an amended tax return to access cash refunds. Current tax law provides that an unreimbursed casualty loss due to a federally declared disaster can be deducted either in the year the disaster occurs OR on the tax return for the prior year. (Note that this provision of the Internal Revenue Code, along with many others, is set to expired after 2025.) If the prior year’s return has already been filed, the taxpayer can file an amended return using form 1040x as well as the casualty loss form, 4684. However, this procedure will not provide most taxpayers with an additional refund, because they either did not have a deductible disaster loss that was greater than their standard deduction, or their taxable income was so low that they had paid little in federal tax. Amended returns can now usually be filed electronically. This leads to somewhat faster processing and allows the taxpayer to request that their refund be directly deposited into a bank account. When filing by paper, you can write the disaster designation in red across the top of Form 1040X to request that the IRS applies expedited processing procedures. As of this writing, the IRS is taking almost four months to process most amended returns. Taxpayers can check the status of their amended returns on the IRS website without setting up an individual account. Taxpayers experiencing significant economic hardship can apply for an expedited refund through the Taxpayer Advocate Service (TAS), an independent branch of the IRS that assists taxpayers in certain situations. You can also request TAS assistance in expediting a refund if it has been more than 30 days beyond the usual processing time. An application for TAS assistance can be made by faxing a completed Form 911 to your local TAS office. See the TAS website (www.taxpayeradvocate.irs.gov) for TAS office contact information. IRS Publications 547 (Casualties,

Disasters, and Thefts) and 584 (Casualty, Disaster and Theft Loss Workbook), available at IRS.gov, provide more detailed information on claiming a disaster loss on a tax return.

Under [26 U.S.C. § 139](#), qualified disaster relief payments 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\(b\)\(4\)](#).