



**AMERICANS ABROAD AND THE CORONAVIRUS AID, RELIEF, AND  
ECONOMIC SECURITY (CARES) ACT**

**Research on the CARES Act Aid Programs and Recommendations for  
Improving the Delivery of Pandemic Aid to Americans Living Abroad**

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**November 2020**

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Within 24 hours of the signing of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Democrats Abroad began receiving messages from Americans abroad seeking information about the aid and assistance with receiving a payment. We heard stories from Americans right across the world whose family income had decreased sharply or evaporated entirely due to pandemic related lockdowns and business interruptions. These were the voices of Americans desperate to keep a roof overhead and food on the table, greatly relieved to hear that Congress had not forgotten about them just because they lived abroad.

Questions about how to register for the aid quickly gave way to complaints about the IRS online tools for aid registration. Although press reports suggest a range of issues thwarted users in the U.S. as well (deluge of users; data-entry errors; security-question failures), Americans abroad faced further obstacles because the tools were not adequately constructed to accommodate non-U.S. addresses and phone numbers. Democrats Abroad wrote directly to the U.S. Treasury, the IRS, and Congress to alert them to these issues.

Democrats Abroad has developed this research project to document the problems Americans abroad faced accessing the aid programs in the CARES Act and to present recommendations to improve the distribution of aid to Americans abroad in any future COVID-19 pandemic aid package.

## Findings

- Although 66% of research respondents received an Economic Impact Payment (EIP), another 4% received a message or letter saying they would be getting the EIP, but no payment ever arrived.
- Fifty-one percent of U.S. residents received an EIP within two weeks after the Act was passed. In stark contrast, it took two months for 50% of the **non-resident** respondents who received an EIP to receive it. Within those two months, 99% of the EIPs to U.S. residents had been received.
- Another stark contrast: Seventy-five percent of U.S.-resident EIP recipients received the aid by direct deposit into their U.S. bank account, whereas only 31% of non-resident EIP recipients received the aid by direct deposit. Almost all the rest received an EIP check, which took on average 78.5 days to arrive, plus, for most, at least another week to clear, for an average total wait of at least 85.5 days or 12.2 weeks for recipients to have access to the funds.
- Fifty-four percent of those who received an EIP check stated a preference for receiving the EIP by direct deposit to their local bank account (i.e., in their country of residence). Across all income groups, a plurality of respondents would have preferred to receive the EIP via direct deposit to a local bank.
- Sixty-six percent of survey respondents had household income less than \$100,000. These are the citizens to whom aid was targeted. Only two-thirds of them, however, received an EIP, suggesting a “failure” rate of over 33%.
- Cross-referencing the regions of the world where EIP delivery success was poor with an analysis of the respondents’ household income indicates that the lowest level of EIP delivery success was experienced in the region (Latin America and Caribbean) with the highest proportion of low-income households.
- Only 13% of respondents used the *Non-Filers: Enter Information here* tool, and about three-quarters of them had problems with it, primarily issues getting it to recognize their identification information.
- Thirty-seven percent of respondents used or attempted to use the *Get My Payment* tool; 87% had problems getting into it. Press reports suggest, however, that there was widespread difficulty experienced with the *Get My Payment* tool in the months following its launch.
- More than 60% of respondents reported having serious problems filing their 2019 U.S. tax returns.

- Although 48% of Federal Student Loan borrower respondents received student loan interest rate relief, and 51% received student loan repayment forbearance, there appears to have been a lot of uncertainty about what relief was available to them under the CARES Act as well as what aid has been provided.
- Thirteen percent of respondents have a small to medium-sized business, of which over half believed their business qualified for the Paycheck Protection Program, but less than half of those received aid. Nineteen percent of respondents knew about the program and hoped they would be eligible for the aid; thirty-four percent knew nothing about the program.

### **Recommendations**

1. We reaffirm our recommendation to the IRS and U.S. Department of Treasury that, for future pandemic aid packages, eligible Americans abroad be given the option to have the aid delivered by direct deposit into their local bank account (i.e., in their country of residence).
2. The *Non-Filers* and *Get My Payment* tools need to be adjusted to permit Americans living outside the U.S. to input their local address, phone number, and either U.S. bank account information or their local bank account information, i.e., the International Bank Account Number (IBAN).
3. The importance and urgency of tax reform recommendations Democrats Abroad and other organizations representing Americans abroad have been making for many years are underscored by the difficulties faced by Americans filing taxes from abroad during the pandemic when IRS services suffered severe interruptions. Tax filing from abroad needs to be simplified. Our other tax reform recommendations include: the removal of barriers to banking, saving, and investing for Americans abroad and the elimination of double taxation. We recommend Congress hold hearings in the House Ways and Means Committee and Senate Finance Committee on the taxation of Americans abroad.
4. We recommend Federal Student Loan servicing agencies provide a statement to Federal Student Loan borrowers who are repaying their loans about what CARES Act actions were taken in regards to their loans and repayment terms.
5. We recommend that Paycheck Protection Program eligibility be extended in the next pandemic aid package to include small to medium-sized businesses owned by Americans abroad which are also liable for the Repatriation Tax and GILTI Tax.