



DEMOCRATS ABROAD

VIA EMAIL

The Honorable Steven T. Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

April 13, 2020

Dear Mr. Secretary and Commissioner Rettig,

RE: *Coronavirus Aid, Relief and Economic Security (CARES) Act accessibility for Americans abroad*

Democrats Abroad lauds the actions our government is taking to alleviate the suffering Americans both in the U.S. and living abroad are experiencing due to the Coronavirus pandemic. We appreciate that the CARES Act makes the Recovery Rebate available to U.S. citizens regardless of their place of residence, but the aid delivery process does not currently allow many Americans abroad to access that aid. We therefore request that the process be amended to allow nominal support to become actual.

Recovery Rebate Accessibility – Need for Direct Deposits to Local Bank Accounts

Our research suggests as many as 3.9 million Americans abroad are eligible for the Recovery Rebate.¹ The aid will ensure that so many Americans abroad who have lost income or lost their jobs entirely and who are not eligible for aid made available to the citizens of the countries where they live are able to support their families through this serious crisis.

While many of those who are eligible will be regular tax return filers there is also a large subset of Americans abroad who do not file because their income does not exceed the tax-free threshold. We acknowledge and appreciate the development of the “*Non-filers: Enter Information Here*” online registration tool for these non-filers. Its usefulness to Americans abroad in facilitating and accelerating the delivery of the Recovery Rebate, however, is limited by the system’s inability to accommodate non-U.S. bank account details.

As you are aware, regulations make it very difficult for U.S. banks to provide accounts and services to customers lacking a U.S. residential address. Americans living outside the U.S. are, in many instances, without an account they can provide to the IRS within the “*Non-Filers*” tool for delivery of the urgently needed Rebate. We do not suggest the aid be delivered via U.S. dollar checks or debit cards sent via the post. Postal service to many places around the world is unreliable at the best of times and service disruptions have

¹ In research on the Americans abroad community undertaken by Democrats Abroad in January 2019 that attracted submissions from 9,885 U.S. citizens living in 123 countries, 45.4% had household income of less than \$75,000. A further 15.8% had household income between \$75,000 and \$99,000. Extrapolating these figures against the Department of State estimate that about 6.5 million Americans adults (citizens over the age of 18) live abroad suggests that more than 3.9 million Americans abroad may be eligible for the CARES Act Recovery Rebate under the Act’s criteria.

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occurred in many more places due to the pandemic. U.S. dollar checks are often impossible to cash outside the U.S. or incur high fees and take weeks or more to clear.

We ask, therefore, that the IRS undertake the requisite alterations to the “Non-Filers” tool, as well as the to-be-published “Get My Payment” tool, in order to support Americans abroad to receive CARES Act aid by direct deposit into their local bank account.

Federal Student Loan Aid – Need for Outreach Access for Borrowers Abroad

Many Americans abroad paying off federal student loans need to access the CARES Act relief available to them. The zeroing out of the federal student loan interest rate until September 30, 2020 applied instantly to all loans is very helpful to Americans abroad who are repaying federal student loans. Loan forbearance available through the Act is also a valuable initiative, however it requires outreach by the borrower to the loan servicer. As we indicated in our correspondence of 26 March, the toll-free phone numbers published by the federal student loan servicers are inaccessible from abroad, leaving Americans abroad with no access to this benefit.

We ask that a coordinated response to this problem be delivered by the Department of Education to all federal student loan borrowers living abroad.

Treasury CARES Act Public Awareness – Communicating with Americans Abroad

The CARES Act references a Public Awareness Campaign to be managed by the Department of the Treasury, in collaboration with other government departments, for ensuring Americans are fully informed about the relief available to them under the Act. In order to ensure Americans abroad have access to CARES Act aid we reiterate these recommendations to Treasury from our correspondence of March 26:

- work with the State Department to establish how to use its various resources – websites, social media platforms and other mass communications systems – for messaging members of the Americans abroad community about the CARES Act;
- work with the State Department to determine how to use most effectively the email and mobile phone data collected by the State Department from Americans abroad who signed up for Warden System or the STEP Program to message Americans abroad about the CARES Act; and
- establish an internationally accessible telephone help line and email address to facilitate engagement by Americans abroad in the CARES Act.

We note that the Warden messages broadcast daily by the DOS in the past week have neglected to reference the CARES Act aid programs available to Americans living abroad. We believe this is a missed opportunity to inform and engage Americans abroad and ask that the Public Awareness campaign be broadened to include the DOS.

Coronavirus Crisis and the Americans Abroad Community

Many thousands of Americans living outside the U.S. are in grave need of support because of the disruption caused by the pandemic. These Americans are at risk of falling between the cracks because they are not eligible for aid from the government of the country where they live and also cannot easily access the U.S. Recovery Rebates for which they are eligible. The cost and the health risks of flying will eliminate the option of returning to the U.S. until the coronavirus crisis abates. We are greatly concerned for these citizens. Even those who have financial security and/or are able to return to the U.S. will face problems such as losing eligibility for IRC Sec. 911 tax status because the pandemic has forced them to return to the U.S. in 2020 for more than the limit of 31 days.

We anticipate a number of other health and financial security issues will emerge for Americans abroad before the coronavirus crisis is behind us. **We, therefore, seek a mechanism for organizations representing Americans abroad to maintain a direct and on-going dialogue with Treasury and the IRS for the purpose of addressing the needs of the Americans abroad community.**

Please contact Carmelan Polce of our Taxation Task Force (+61 404 767 088 or carmelan@democratsabroad.org) based in Sydney, Australia, or the undersigned with any questions about the information and recommendations provided herein.

Sincerely,

/S/

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