

# IRS Clarifies Stimulus Checks Sent to Deceased Taxpayers Must Be Returned

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The Coronavirus Aid, Relief and Economic Security (CARES) Act, signed into law March 27, made cash rebates of up to \$1,200 available to 150 million Americans. Shortly after the IRS started sending payments, **there were stories of payments being made to deceased taxpayers**. Specifically, checks were made payable to the recipient, with "DECD" next to the recipient's name, indicating the IRS was aware that the payment was being made to a deceased person. For several weeks, there was uncertainty as to whether payments made to a deceased individual could be kept. The IRS released guidance on May 6 to clarify that payments made to a deceased individual must be returned.

The **IRS guidance** provides that "payment made to someone who died before receipt of the payment should be returned to the IRS." If the payment was made to joint filers, only the portion of the payment made to the deceased individual must be returned (meaning if a payment of \$2,400 was made to joint filers, \$1,200 must be returned, unless the adjusted gross income reported on the joint return exceeds \$150,000).

The IRS guidance further provides that if the payment was made via a paper check you should return the payment by writing "Void" in the endorsement section on the back of the check. If the payment was a paper check and you have cashed it, or if the payment was a direct deposit, the IRS guidance indicates that you must submit a personal check, money order, or some other form of payment immediately to the appropriate IRS location. There is no specific guidance as to who, exactly, is responsible for returning uncashed checks or submitting a personal check. However, if there is an estate opened, the Personal Representative would certainly have the authority and responsibility to arrange for the return of the uncashed check or repayment from estate funds.

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