Major Provisions in the
American Rescue Plan Act of 2021
$1.9 trillion
(enacted March 11, 2021)

Direct Payments to Individuals
Single tax filers with earnings up to $75,000 ($150,000 for joint filers) will receive a one-time payment of $1,400 ($2,800 for joint filers). The payment will be fully phased out at $80,000 for single filers ($160,000 for joint filers). Eligible taxpayers also get up to $1,400 per dependent.

Unemployment Assistance
Pandemic unemployment programs are extended through September 6, and the current federal supplemental payments of $300 per week will continue during this period.

Tax Credit Expansions
For 2021, the Child Tax Credit is made fully refundable and is increased from $2,000 under current law to $3,000 for children ages 6-17 and $3,600 for those under 6. For 2021, eligibility for the Earned Income Tax Credit is expanded for taxpayers without dependents, in part by eliminating the upper age limit of 64; their maximum credit is increased from $543 to $1,502.

Tax Credit Extensions
The employee retention credit, for covering wage and benefit costs, is extended to December 31. The credits for paid sick and family leave are expanded and extended through September 30.

Aid for State and Local Governments and Schools
$350 billion is provided for states and localities to cover a range of pandemic-related purposes. In addition, about $130 billion is provided to K-12 schools and $40 billion to colleges.

Private Sector Pension Plans
A new program will be set up to assist financially troubled multiemployer pension plans. Plans have until December 31, 2025 to apply, and the grants will cover benefits through 2051. For single employer plans, the period for amortizing funding shortfalls is temporarily extended from 7 years to 15 years and the interest rate smoothing provisions for valuing liabilities are extended.

COVID-Related Health Measures
Funding is provided for COVID health-related activities, including vaccines, testing, and tracing.

Health Insurance Assistance
Eligibility for the tax credit for buying a health plan from the ACA exchanges is temporarily expanded; and laid-off workers will have their full COBRA premiums paid through September.

Rental Assistance
Relief includes $19 billion for rental assistance and $5 billion for vouchers for the homeless.

Other COVID-Related Assistance
Aid is also provided for child care, small employers, nutrition assistance, and transportation.