

**Bi-Monthly  
THP-Plus/FC  
Web Seminar**

# Getting What is Yours:

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ENSURING FOSTER YOUTH AND CAREGIVERS ACCESS THE EARNED  
INCOME TAX CREDIT

# Information to Participate

- Call-in number is (702) 489-0008; access code is 933-609-208
- To submit live questions, click on the “Questions” panel, type your question, and click “Send”
- Presentation materials and audio will be posted at [www.thppplus.org](http://www.thppplus.org)

The screenshot displays the GoTo Webinar control panel. At the top, there is a menu with 'File', 'View', and 'Help'. Below this is the 'Attendee List' section, which shows 'Attendees (1)' and 'Staff (1)'. The attendees are listed under the heading 'NAMES - ALPHABETICALLY', with 'Nick Pav (Me)' listed. A search bar is located below the list. The 'Audio' section is active, showing 'Telephone' selected and 'Mic & Speakers' unselected. It displays the dial-in number '+1 (480) 297-0020', the access code '653-510-658', and the audio PIN '54'. A red banner below the audio settings reads 'If you're already on the call, press #54# now.' and includes a link for 'Problem dialing in?'. The 'Questions' panel is empty, with a text input field containing '[Enter a question for staff]' and a 'Send' button. At the bottom, the 'Webinar' section shows the 'Webinar ID: 726-486-617' and the 'GoToWebinar' logo.

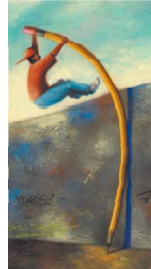
# Today's Presenters

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John Sciamanna  
Vice President Public Policy  
Child Welfare League of America



Simone Tureck  
Associate Policy Director  
John Burton Foundation



**JOHN  
BURTON  
FOUNDATION**  
FOR CHILDREN  
WITHOUT HOMES

# WHY ARE WE TALKING ABOUT THE EARNED INCOME TAX CREDIT?

**Many of the young adults and the families we work with will qualify for the EITC:**

- There are roughly 900 parenting non-minor dependents in California's foster care system
- Approximately 22,000 children and youth in out of home placements are placed with relatives (Roughly a third of total placements)
  - Relative caregivers are disproportionately low-income

*Studies show that young children in households that receive EITC do better in school, and are more likely to attend college and earn more.*

# FEDERAL EARNED INCOME TAX CREDIT (EITC)

# EARNED INCOME TAX CREDIT (EITC)

- The EITC and the Children's Tax Credit (CTC) Lift 9 Million People above Poverty level
- \$20,000 for family of 3
- EITC Gives you a Tax Refund Based on How Much You Earn Income  
The CTC Gives You A Credit For Your Children
- Credits Are Different and better Than A Tax Deduction
- They Are Refundable!

# HOW MUCH: MARITAL STATUS & NUMBER OF CHILDREN

The Maximum Amount (Credit increases gradual from first dollar and gradually decreases after maximum credit):

- \* No Children: \$503 Single @ \$8000 phases out @ \$14,000  
Married @ \$14,800 phases out @ \$20,000
- \* 1 Child: \$3,359 Single @ \$17,500 phases out @ \$39,000  
Married @ \$23,000 phases out @ \$44,651
- \* 2 Children: \$5,548 Single @ \$17,500 phases out @ \$44,454  
Married @ \$23,500 phases out @ \$49,900
- \* 3 Children: \$6,242 Single @ \$18,100 phases out @ \$47,700  
Married @ \$23,500 phases out @ \$53,200

# CHILDREN TAX CREDIT (CTC)

## Children's Tax Credit

- \* More Basic: A Maximum Credit of \$1000.00 per child
- \* Child Must be less than 17 years old
- \* Maxes Out at
  - \$1000 for 1 child when you make \$14,000 children
  - \$2000 for 2 children when you make \$20,000
  - \$3,000 for 3 children when you make \$25,000
  - \$3,925 for 4 children when you make \$30,000



# WHAT IS INCOME?

- Wages, salaries, and tips, Union strike benefits, Long-term disability benefits received prior to minimum retirement age, Net earnings from self-employment
- Does Not Include:
  - Interest and dividends, Social security and railroad retirement benefits, Welfare benefits, Pensions or annuities, Veterans' benefits, Workers' compensation benefits, Alimony and Child Support, Non-taxable foster care payments, Unemployment insurance,

## WHICH CHILDREN ARE COVERED?

- Son, daughter, grandchild, stepchild, or adopted child
- Younger sibling, step-sibling, half-sibling, or their descendent
- Foster child placed by an authorized agency
- Must live with the taxpayer/filer in the U.S. for more than half the year
- Under 19, under 24 if a full-time student, or any age if totally and permanently disabled for the EITC

# HOW TO FILE?

- Workers with children must file either Form 1040 or 1040A and submit the Schedule EIC.

They cannot file Form 1040EZ  
or forget the Schedule EIC.

- Workers without children can file any tax form, including Form 1040EZ. They do not need to file the Schedule EIC and can enter the credit amount on the EIC line of the tax form.

## DOES IT EFFECT OTHER PROGRAMS?

- Claiming the EITC does not affect eligibility for other benefits like SNAP (food stamps), SSI, Medicaid, cash assistance, or public housing.
- A saved tax refund does not count against federally-funded benefit program resource/asset limits for 12 months after the refund is received

# FOSTER CHILDREN & KINSHIP

- In addition to a son, daughter, stepchild, or adopted child you may claim a grandchild
- Other relatives include younger siblings, step-siblings, half-siblings, or their descendent
- Foster child placed by an agency-----
- **Although foster families are increasingly comprised of extended family members, relatives have no legal obligation to become a child's caregiver to qualify for these credits**
- Foster child placed with the worker/filer by an authorized agency –  
-----Placed by courts, or a government agency
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# FOSTER CHILDREN

- A dependent must have a Social Security Number or in some cases of pending adoptions
  - An “ITIN” which is an Individual Taxpayer Identification Number  
-----*We would like to know of any problems here.....*
- Just a Note: Foster Care Payments from agency/government are nontaxable income

**You may be able to deduct unreimbursed foster care expenses as a charitable deduction if the agency that placed the child receives charitable donations**

# HELP!

- Find a FREE tax site near you. Go to the IRS website - <http://irs.treasury.gov/freetaxprep/>
- or call 1-800-829-1040:
- <http://irs.treasury.gov/freetaxprep/>  
you type in your zip code

- CENTER ON BUDGET POLICY AND PRIORITIES:

EARNED INCOME TAX CREDIT ESTIMATOR <http://www.eitcoutreach.org/help/>

# HELP! ---SENIORS

- Tax Counseling for the Elderly (TCE), sponsored by the IRS, provides seniors and lower-income families with free tax filing assistance.
- AARP is the largest TCE participant, providing services through its Tax-Aide Program.
- To find the nearest Tax-Aide Program, contact AARP at 1-888-AARP NOW (1-888-227-7669).
- During tax time, locations are available on the AARP website - <http://www.aarp.org/taxaide>. A dependent must have a Social Security Number or in some cases of pending adoptions



HELP! ---CENTER WEBSITE  
[HTTP://WWW.EITCOUTREACH.ORG/](http://www.eitcoutreach.org/)



Tax Credits  
for People  
Who Work

# CALIFORNIA EARNED INCOME TAX CREDIT (CAL EITC)

# CAL EITC - OVERVIEW

- New tax credit starting with calendar year 2015 tax returns
- Californians that qualify for the federal EITC will likely also qualify for the Cal EITC
- Person/family filing with:
  - 3+ qualifying children can qualify for up to \$2,653
  - 2 qualifying children can qualify for up to \$ 2,358
  - 1 qualifying child can qualify for up to \$1,428
  - No qualifying children can qualify for up to \$214
- Relative caregivers, parenting foster youth, former foster youth in THP-Plus, and current and former foster youth on college campuses should find out if they qualify

## CAL EITC – WHO QUALIFIES?

- You have wages and adjusted gross income within certain limits AND
- You, your spouse, and any qualifying children each have a social security number valid for employment AND
- You do not use the “married/RDP filing separately” filing status AND
- You must have lived in California for more than half the tax year

→ If you **do not** have a qualifying child, you must be between the ages of **25 and 65** years old at the end of the tax year.

→ You can file as “Single”, “Married/RDP Filing Jointly” and “Head of Household”.

# CAL EITC - INCOME ELIGIBILITY & ELIGIBLE SOURCES OF INCOME

- Cal EITC available to households with adjusted gross incomes of:
  - <\$6,580 if no qualifying children
  - <\$9,880 if 1 qualifying child
  - <\$13,870 if 2+ qualifying children
- Eligible sources of income from:
  - W-2 wages
  - Salaries, tips
  - Other employee compensation subject to California withholding
  - *Note: For Cal EITC, earned income does not include income from self-employment*

# QUALIFYING CHILDREN

- Qualifying child must meet 3 criteria:
  - **Relationship** – is the taxpayer's child, (bio or adopted), stepchild, foster child, sibling or stepsibling, or a descendent of any of them.
  - **Residence** – had the same principal residence as the taxpayer in California for more than half the tax year
  - **Age** – child must be younger than the taxpayer and either a) under the age of 19 at the end of the tax year, or b) under the age of 24 if a full-time student for at least 5 months of the year. A permanently and totally disabled child may be included at any age.

# CLAIMING THE CAL EITC

- File a California income tax return
- Complete an FTB 3514, Earned Income Tax Credit Form - [https://www.ftb.ca.gov/forms/2015/15\\_3514.pdf](https://www.ftb.ca.gov/forms/2015/15_3514.pdf)
- FTB 3514 instructions - [https://www.ftb.ca.gov/forms/2015/15\\_3514ins.pdf](https://www.ftb.ca.gov/forms/2015/15_3514ins.pdf)

# CAL EITC – HELPFUL RESOURCES

- 2015 Earned Income Tax Credit Table available at CA Franchise Tax Board website – [https://www.ftb.ca.gov/forms/2015/15\\_54obk.pdf#page=67](https://www.ftb.ca.gov/forms/2015/15_54obk.pdf#page=67)
- CalEITC4Me – statewide campaign to spread awareness about the Cal EITC – <http://caleitc4me.org/>
  - Factsheets
  - Eligibility calculator
  - Free tax prep finder



# QUESTION & ANSWER

Use the panel on the right hand side of your screen to type questions into the box and hit "send"

This presentation will be posted at [www.thpplus.org](http://www.thpplus.org)

# Legislative Update

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# Assembly Bill 1838 (Ting)

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- 1. Increase infant supplement from current level to the basic rate**
  - Birth to 4: \$686
  - Aged 5 to 8: \$744
- 2. Receipt of infant supplement six months prior to the due date**
  - promote earlier receipt of prenatal care and other services
  - Provide financial assistance to prepare for the birth of the child
- 3. Develop new infant supplement for Group Homes and THP+FC**

*Send in support letter by March 18<sup>th</sup> for March 29<sup>th</sup> hearing*

# Assembly Bill 2506- Thurmond

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Entitle all students to receive a Chafee grant who apply by specific date

- ❖ Applicants who apply after this date would be eligible for remaining funds

Would require campuses where 40% or more of the students receive financial aid to meet minimum requirements:

- ❖ No higher than a 15.5% cohort loan default rate
- ❖ 30% graduation rate

*Send in support letter by April 1<sup>st</sup>. Assembly Higher Ed Committee Hearing TBA.*

# Pregnancy Prevention Budget Proposal

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**\$10 million to implement:**

## **1. Strategies Proven to Reduce Unwanted Pregnancy in Foster Youth**

- Training for social workers, probation officers and caregivers
- Training for youth
- Ensuring youth have access to age-appropriate sexual and reproductive health services
- Ensuring reproductive rights of youth in foster care, including relevant minor consent and confidentiality laws

## **2. Policies and Procedures to Ensure Consistency, Quality and Safety**

*Add your organization's name to sign-on letter by March 25<sup>th</sup> for  
April 6<sup>th</sup> budget hearing*

# THP-Plus Budget Proposal

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## **\$5 million to:**

- Expand eligibility for THP-Plus to youth who were in foster care on or after age 16.
- Makes THP-Plus eligibility consistent with ILP, Chafee ETV, CAFYES

*Add your organization's name to sign-on letter by March 25<sup>th</sup> for  
April 6<sup>th</sup> budget hearing*

# And...a reminder

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**Quarterly reports are due for the THP-Plus and THP+FC Participant Tracking Systems on **April 15<sup>th</sup>** for FYQ3 (1/1/16 - 3/31/16)**

*JBF welcomes new providers and counties interested in utilizing the free online database to track, store and analyze their THP-Plus and/or THP+FC data – and will provide free training and technical assistance to users.*

Questions? Contact Simone Tureck at [simone@johnburtonfoundation.org](mailto:simone@johnburtonfoundation.org) or (415) 693-1323

More information on the PTS available at <http://thpplus.org/participant-tracking-system/resources-assistance/>

# Next Web Seminar May 12<sup>th</sup>

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HELD BI-MONTHLY ON THE SECOND THURSDAY FROM 10-11 A.M.

