



Foster Parents, Grandparents Raising Grandchildren and Other Relative Caregivers

Millions of children are currently in foster care or are being cared for by a grandparent or other relative outside the formal child welfare system. These families often do not know that they may be able to claim such children for the EIC or the CTC.



Volunteer Macon (VM) leads the Macon Build Tax Coalition in

Georgia and has provided free tax filing assistance since 2006. Through a partnership with the Division of Family and Children Services, VM serves many grandparents raising grandchildren. When families are referred to VM, staff meets with the grandparents to assess their needs and inform them about Medicaid, food stamps, the EIC and CTC, and how to obtain those benefits. VM also links grandparents to its programs including homebuyer, financial education and family counseling programs which all discuss the tax credits. In addition, VM assists families with school supplies and house repairs. In 2009, VM coordinated a free tax preparation site at a credit union as well as a mobile site. The VITA sites combined filed 1,903 tax returns providing \$1,147,278 in refunds.

Contact: Evelyn Bryant-Banks, VM, (478) 742-6677 or evelynb_volmacon@bellsouth.net.

Strategies

- Develop outreach materials that draw attention to the eligibility of foster parents and relative caregivers. Campaign materials that refer only to a parent's eligibility will miss many families that may qualify.
- Work with public foster care agencies. State agencies, such as child welfare agencies and agencies that administer TANF programs, may interact on a regular basis with foster parents and relative caregivers. Encourage them to incorporate information on claiming the EIC and the CTC in any training they provide for families. They also can send information about the tax credits with foster care payments and cash assistance payments and talk about the credits during home visits.
- Reach out to community-based programs that support foster parents with services such as family counseling and crisis intervention. Some organizations also offer help with school supplies and clothes.
- Involve foster parent associations and support groups. Ask your state foster care association to share tax credit information with local groups. Outreach Campaigns can offer to arrange a speaker for local meetings or write an article for association newsletters. *To locate your state and local foster care associations, visit the National Foster Parent Association website at www.nfpainc.org.*

- Ensure that Area Agencies on Aging, senior employment programs and programs that recruit seniors as volunteers — such as the Retired and Senior Volunteer Program (RSVP) — share information about the tax credits with seniors who are raising children. Tax Counseling for the Elderly (TCE), sponsored by the IRS, provides seniors and low-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 at www.aarp.org/taxaide. Find information about the tax credit and other resources for grandparents at www.aarp.org/family/grandparenting.*

FACT:

According to the 2008 American Community Survey, nearly 1.6 million grandparents raising grandchildren were in the labor force.

Glad You Asked That!

Q: Rules for claiming foster children for the tax credits have changed in recent years. What do foster parents need to know?

A: Under current IRS rules, children who lived with a foster parent for six months or longer can be claimed for the EIC and CTC. (In the past, foster children had to live with the foster parent for the full 12 months of the year to qualify for these tax credits.) While this had made it a little easier to claim a foster child, another rule has made it more difficult: In order to claim a foster child, the child has to have been placed with the foster family by an authorized government or private placement agency.



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