



# Public Benefit Programs

Many state and local government agencies that administer public benefits such as Medicaid, the Children's Health Insurance Program (CHIP), food stamps (now called SNAP) or subsidized child care, have ongoing contact with families and individuals who work and also receive public benefits. Enlisting such agencies in tax credit outreach is an effective way to reach large numbers of eligible workers on a regular basis.

Organizations engaged in outreach activities aimed at boosting enrollment in specific benefit programs like Medicaid and CHIP are natural partners and can be encouraged to inform families about tax credits as well. Similarly, Tax Credit Outreach Campaigns can alert families to the opportunity to obtain other benefits that may be critical to the health and well-being of their families.

## Strategies

- Work with state or county program administrators to arrange for information about tax credits for low-wage workers to be included in regular mailings to families and individuals receiving public benefits. Include a flyer or envelope stuffer with benefit checks, WIC coupons, program renewal notices, waiting list information, rent notices in public housing, or other mailings.
- Train eligibility workers to inform families seeking public benefits about the tax credits and free tax filing assistance. They can assure families that claiming the tax credits generally does not affect their eligibility for benefits such as food stamps, Medicaid or subsidized housing.
- Reach out to workers who previously earned too much to qualify for the EIC or the CTC and may now be eligible. They may have been laid off or had their work hours reduced. Connect with them through unemployment offices, job training programs and government assistance programs.
- Contact your local Workforce Investment Board, which is required to secure contracts to provide job readiness, job placement and post-employment services to TANF recipients entering the labor force. Caseworkers can ensure their clients know about the tax credits and how to claim them — an important step in making a successful transition into the workforce. Encourage local boards to require companies receiving employment services contracts to provide workers with tax credit information.



For three years,  
Mohawk Valley  
Community Action Agency

(MVCAA) has provided free tax preparation for residents of Utica, Rome and Herkimer, New York. Clients at the Utica and Rome VITA sites are screened for eligibility for energy assistance and food stamps, and MVCAA schedules a separate appointment for those who are interested in completing an application for either benefit. In 2009, MVCAA filed 294 tax returns and prepared approximately 10 energy assistance and 5 food stamps applications for VITA clients.

**Contact:** Lynda Alerding, MVCAA (315) 339-2649 x 402 or lalerding@mvcaa.com.

- Include information about tax credits in electronic benefit screening programs. States and nonprofit groups have been developing electronic programs which screen families for benefits, including Medicaid, CHIP, LIHEAP (energy assistance) and WIC, and let them know they may qualify. Work with program designers to incorporate information about tax credits and free tax filing assistance. One benefit screener called HelpEngen, (formerly RealBenefits), can be tailored to screen families for EIC eligibility and to indicate how large a refund they may be able to get. *Contact: Enrique Balaguer, HelpEngen, (617) 275-2804 or ebalaguer@transengen.com.*
- Connect with outreach workers who promote a variety of benefit programs. Provide them with tax credit information to share when they are signing families up for health coverage, food assistance or child care. Also, invite them to participate in tax credit outreach events and to be on hand at tax assistance sites.

## FACT:

*According to Food & Nutrition Service 2008 data, 39.9 percent of food stamp recipients are working families.*

## Glad You Asked That!

**Q:** Many people work and also get cash assistance. Can they still claim the EIC or the CTC?

**A:** Yes. As long as they earn wages and meet the income and other eligibility requirements. These workers may use the Advance EIC payment option, if they wish.

**Q:** Will getting the EIC or the CTC lower the amount of other public benefits? Could someone lose benefits altogether?

**A:** Generally, no. The EIC and the CTC are not counted as income for Medicaid, food stamps, SSI or federally assisted housing programs. However, the EIC and the CTC can count as a resource (also called an asset) in determining eligibility for some benefits. Often, if the beneficiary has few or no other resources, saving part of a tax credit refund does not cause the person to exceed the resource limit for a benefit program. Rules about whether the tax credits count against a program's resource limit vary by program.



**Find It On the Web** [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010)

**Tips for offering help with public benefits at a VITA site**

**More Outreach Strategies and Examples**

**More Questions and Answers on Tax Credits and Public Benefit Programs**