



Workers Not Living with Children

Tax credits can represent a useful income boost for low-wage workers who do not have children living with them — including non-custodial parents and childless workers. Workers not living with children who earn less than \$13,440 (or \$18,440, if married) receive only a small EIC (averaging about \$250), but non-custodial parents may be able to claim a substantial CTC if they are permitted by a divorce or separation agreement to claim a child as a dependent. The CTC can be worth up to \$1,000 per dependent child under age 17 for workers who earned more than \$3,000 in 2009. It is important to bring this news to workers who may know they do not qualify for the EIC, but who may not understand that they could qualify for the CTC.

FACT:

In 2007, workers not raising children who are eligible for the EIC had average annual earnings of about \$7,082. Half of them work in service industries. About 23 percent work fulltime, year round. About 55 percent are single men and 34 percent are single women. About 11 percent are married.

Strategies

Many of the places that are natural gathering points for families with children — such as schools and child care programs — may not be fruitful outreach settings for this group of workers. Special strategies are needed:

- Target workers who are likely to have been employed on and off during the year. Distribute materials at: pick-up and drop-off spots for day labor; hotel, motel and other service worksites that may hire seasonal employees; General Assistance, food stamp or unemployment offices; and programs serving migrant workers.
- Identify individuals whose circumstances have impeded their efforts to work. Try reaching them through: Veterans Administration hospitals or service centers; transitional housing programs; homeless shelters, food banks and soup kitchens; probation offices; half-way houses or mental health or substance abuse service centers; and literacy or GED programs.
- Reach out to workers in school or training programs. Distribute materials at: universities with non-traditional students; community colleges; English as a Second Language or literacy programs; vocational rehabilitation centers; and job training programs.
- Alert the state or county Child Support Enforcement agency (also referred to as the IV-D agency), which establishes child support orders typically requiring non-custodial parents to pay a set amount of child support each month — and provides services to enforce these orders. As part of its work, the IV-D agency may have contact with non-custodial parents and can use such opportunities to provide information about how they may qualify for the tax credits.



- Provide tax credit information when child support obligations are being established either through a court or an administrative process. Decisions about which parent claims the child as a dependent for tax purposes are often made at this time. Information about the CTC can be provided to both parents at the same time they are notified about the process for establishing child support.
- Ask employers to help inform workers about the tax credits. A special note about the availability of the CTC may be of particular interest to non-custodial parents whose child support payments are being deducted from their paycheck.
- Reach out to Fatherhood Programs. This broad range of community-based human service initiatives are aimed at nurturing men in their roles as fathers and caregivers to children. Some groups are geared toward assisting fathers in particular circumstances or life stages, such as teen fatherhood programs; others focus on helping young men develop employment and life skills, as well as parenting skills.

Evergreen Vista (EV) is a Mercy Housing community in Olympia, Washington that provides affordable housing and life skills to residents, including adults not raising children. Mercy Housing operates affordable housing and supportive programs for low-income families, seniors and people with special needs. From January through April, EV informs residents of the 154 apartments about the tax credits and free tax preparation assistance using posters, newsletters, bulletin board notices and at resident meetings. For six years, EV has also partnered with AARP to recruit volunteers to provide on-site tax preparation twice a year. EV also works with a local consumer credit counseling agency to offer residents budgeting and financial education classes.

Contact: Paul Grudis, EV, (360) 352-1315 or pgrudis@mercyhousing.org.

Glad You Asked That!

Q:

What special forms must non-custodial parents complete in order to claim the CTC?

A:

Non-custodial parents eligible to claim the CTC must use the 1040 or 1040A and attach Form 8332, "Release of Claim for Child of Divorced or Separated Parents," which requires the custodial parent's signature, and Form 8812 to claim the CTC. (They may not use the 1040 EZ.)



Find It On the Web www.cbpp.org/eic2010

More Outreach Strategies and Examples
Fact Sheet on the Tax Credits and Workers Not Living With Children