



Outreach Strategies

You don't have to be a tax expert to help working families learn about and claim the Earned Income Credit and the Child Tax Credit!

Community organizations, social services providers, government agencies, faith-based groups, schools, labor unions, employers, advocacy groups and others all can play a vital role in bringing these tax benefits within reach of working families and individuals. Whether your goal is to incorporate tax credit outreach into your routine activities or to launch a full-fledged community-wide campaign, you will find what you need here.

As you develop and enrich your Tax Credit Outreach Campaign, you may be looking for ideas that will help you engage new partners in outreach activities, or for strategies that will help you conduct effective outreach activities in particular communities. The material in this booklet will help you with either approach.

Each section of this guide focuses on a potential outreach partner or a community in which there is likely to be a need for outreach. For each of these, you will find suggested outreach strategies, as well as examples of activities being implemented by organizations like yours across the country. In addition, you will find the answers to commonly asked questions about the tax credits and notes about much more information available on our website, www.cbpp.org/eic2010.

As you consider new ideas for outreach, spend some time exploring the companion booklet in this kit, ***Your Tax Credit Outreach Campaign: What You Need to Know***. It describes "Six Key Elements of a Successful Outreach Campaign" and can help you in planning your activities and building a campaign that continues past the tax filing season and into the future.



Share Your Outreach Story

The outreach examples in this booklet represent just some of the great tax credit outreach ideas that are working in communities across the country. You can find more examples on our website, www.cbpp.org/eic2010. Each year we expand and update our collection of examples to keep Tax Credit Outreach Campaigns abreast of the latest strategies and success stories. We are most interested in highlighting new partnerships, innovative techniques for promoting the tax credits and free tax filing assistance, and new twists on tried-and-true approaches. We encourage you to share your outreach story with us by emailing us at eickit@cbpp.org or sending us your outreach story to Tax Credit Outreach Campaign, c/o Center on Budget and Policy Priorities, 820 First St. NE, Washington, DC 20002. You also can fax your information to the attention of Roxy Caines at (202) 408-1056.

Please provide the following information so that we can consider featuring your story in the 2011 Tax Credit Outreach Kit or on the website:

- Organization(s) involved in the outreach activities
- Where and when the activity took place
- A brief description of the activity
- A short discussion of the results (For example, number of tax returns filed, total amount of tax credit refunds that came into the community)
- Contact for more information, email or phone, preferably both

***Thank You In Advance for Helping Others
Enhance Their Tax Credit Outreach Campaigns!***

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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

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



Consumer Credit Counseling and Money Management Services

Families throughout the country are confronting perhaps the most severe financial challenges they have ever experienced. Many are overwhelmed with debt, are seeing their savings plummet or are falling behind with their mortgage and other monthly payments. In increasing numbers, low- and moderate-income workers are seeking help from debt management assistance organizations, consumer credit counseling services, and home foreclosure prevention programs. These nonprofit organizations provide a range of financial services. They help clients create a budget, set financial goals, reduce monthly credit payments, and employ strategies for managing their money, paying bills on time, surviving a reduction in income and maximizing tax refunds. Such organizations are in a good position to help families understand that claiming the EIC and the CTC complement other approaches to addressing debt-related problems.



Consumer Referral and Information

Service System for Citizens,

Resources and Organizations Seeking Solutions, Inc. (CRISS-CROSS) has incorporated tax credit outreach into its credit counseling work for over a decade. The small service-oriented agency in Clarksburg, West Virginia displays tax credit posters in its office, where counselors provide assistance with budgeting, bankruptcy, and understanding credit history. Credit counselors always discuss the benefits of tax credits as a key income support. In 2010, CRISS-CROSS is committed to informing more clients about the EIC and CTC and will also direct them to free tax preparation by partnering with the West Virginia EITC Coalition. Also, CRISS-CROSS serves as a general resource for community members to learn about services such as utility termination assistance and access to emergency food services. CRISS-CROSS places tax credit brochures in office areas where they are visible for these community members as well as credit counseling clients.

Contact: Jackie Goff, CRISS-CROSS, (304) 623-0921 or jgoff@criss-crosswv.org.

Strategies

- Reach out to local affiliates of the National Foundation for Credit Counseling (NFCC). The majority of NFCC affiliates are Consumer Credit Counseling Services (CCCS) offices. They provide counseling on housing, credit and bankruptcy issues, as well as assistance in developing debt, money and credit management plans. In addition to in-person assistance, CCCS organizations provide counseling online and over the phone 24 hours per day, 7 days a week. Tax Credit Outreach Campaigns can suggest ways they can share EIC and CTC information through one-to-one counseling programs, newsletters and websites. *To locate a NFCC affiliate in your area visit: www.debtadvice.org/TakeTheFirstStep/locator.cfm.* If there is no NFCC affiliate in your area, a community organization, such as a community action agency, may provide similar services.
- Encourage consumer assistance organizations to incorporate information about claiming the EIC and CTC into their intake, screening or orientation process. Tax Credit Outreach Campaigns can provide basic fact sheets and other materials about eligibility requirements, claiming procedures and locations of free tax preparation sites.

- Help counselors develop the capacity to provide more in-depth information about the tax credits to their clients. Train consumer assistance organizations to assist clients in determining if they qualify for the credits and link them to free tax filing assistance. Help them develop key contacts in the community so they can refer workers to Low-Income Taxpayer Clinics if they owe back taxes or need professional help with other tax related issues.
- Invite CCCS organizations to share information about their services at VITA sites and during tax credit outreach activities. Tax filers may be in need of the foreclosure prevention, credit counseling, homeownership and savings programs they offer. CCCS staff can distribute literature and sign people up for classes and personal counseling sessions. Credit counseling programs can also work with Outreach Campaigns to offer free credit reports at VITA sites. They can explain how to understand a credit report, how credit scores are used, and how tax refunds can be used to help improve credit history. Banks and credit unions can also partner with Outreach Campaigns to open checking or savings accounts at VITA sites so workers can have their refund directly deposited into the account. *To help taxpayers obtain free credit reports visit: www.annualcreditreport.com.*
- Help community organizations incorporate tax credit information into financial education classes, Individual Development Account (IDA) programs or investment clubs. While these programs tend to focus on developing assets for purposes, such as buying a home or higher education, they can also help workers learn and understand how to avoid debt and protect their savings. Community organizations can offer financial education classes or can work with a bank or credit union that has already established a financial education program. Outreach Campaigns can help organizations include information about how tax credits can help workers meet specific goals as part of a class.

FACT:

According to a survey conducted by the National Low Income Housing Coalition, on average, 69% of clients seeing housing counselors for foreclosure assistance are low income.

The Homeownership Preservation Foundation provides free foreclosure prevention counseling 24 hours a day, 7 days a week and can assist homeowners in developing a financial plan, contacting their lender and identifying local resources. For more information visit: www.995hope.org or call 1-888-995-HOPE.



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

More Outreach Strategies to Link to IDA Programs



Businesses and Employers

Since the EIC and the CTC are tax benefits for people who work, employers are logical and important partners in any campaign. Partnering with local businesses that cater to low- and moderate-income consumers can reach customers, as well as employees. Government agencies and nonprofit groups are employers too. Their workers often earn modest wages and could qualify for the credits.



United Way of
Brevard County
(UWBC) in Cocoa, Florida

presents its Financial Stability Program, which provides financial education classes and free tax filing assistance, to the employees of its 403 corporate partnerships including Boeing, NASA, Publix Corporation and Lockheed Martin. The Financial Stability Class series, held at different locations throughout the year, includes a segment about the EIC and CTC. At the request of the corporate partners, UWBC also conducts half-day seminars eight times a month on financial issues such as building credit history and how to avoid credit scams. To deliver free tax preparation services, UWBC partners with AARP Tax-Aide and the IRS. In 2009, the Financial Stability Program completed 6,899 tax returns worth a total of \$1,770,459.

Contact: Elizabeth Lee, UWBC, (321) 631-2740 or lee@uwbrevard.org.

Strategies

- Interest local businesses in conducting tax credit outreach by stressing that they have a stake in boosting EIC and CTC participation: Promoting the credits helps stabilize the workforce. When employees have the money they need to get to work, pay for child care and address their families' day-to-day needs, they are more likely to keep their jobs. Tax credits mean more money in the pockets of community residents. Customers are better able to pay their bills. Community leaders can think of the credits as an economic development tool.
- Enlist a business organization to deliver the message about the importance of the tax credits. Gaining the support of the Chamber of Commerce, merchants' associations, trade groups or other business organizations will give your campaign credibility with employers and will provide a link to large networks of businesses.
- Persuade local businesses to use tax credit promotional materials. Stores can display posters and flyers. Family restaurants can print tax credit messages on tray liners or placemats. Department stores can play announcements on in-store public address systems. Utility companies can include tax credit information with their monthly bills.
- Show employers effective ways to inform employees about the tax credits. Incorporate tax credit information with employee paychecks, December through March. Display posters and flyers where employees check in at the beginning and end of each day, and in the employee lounge or lunchroom. Publish an article about the tax credits in employee newsletters. One large government employer ran an EIC message as a computer screensaver. Another placed an EIC reminder on the telephone recording that plays when a caller is "on hold." Another business made EIC information available through its employee "resource line," an internal hotline employees can call for information about company benefits and other services.

- Encourage employers to inform workers about the Advance EIC payment option and make it easy for them to obtain and complete IRS Form W-5 to start Advance EIC payments.
- Train managers to deliver information about the EIC and the CTC to employees they supervise and to new hires. Include tax credit information in employee manuals.
- Direct employees to free tax filing sites. Employers with many low-wage employees can provide a list of nearby VITA sites or they can arrange to have VITA volunteers visit the worksite to help employees file their tax returns.

Progress Through Business works with corporate Human Resources Departments to coordinate free tax preparation services for employees of companies such as Staples office supply company, hospitals and credit unions. Progress Through Business can help Outreach Campaigns contact businesses anywhere in the country to arrange for volunteer tax preparers to complete tax returns before, during or after the workday. For more information, contact: Dr. John Hoffmire, (608) 345-5111, or hoffmire@wisc.edu.



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Workers Employed in Green Jobs



As part of its weatherization program, Northeast South Dakota Community Action Program (NESDCAP) in Sisseton, South Dakota employs crew members that make energy efficiency improvements to residential homes in its 17-county service area. They provide homeowners with energy kits that contain energy-conserving light bulbs, low-flow shower heads and other items to help save on energy bills. During tax season, the education packets NESDCAP distributes contain information on the EIC and CTC, along with tips on how to reduce utility bills and how to make homes more energy-efficient. The weatherization crew refers anyone who needs assistance with tax filing to local VITA sites. During 2009, NESDCAP distributed 500 education packets and 250 energy kits. Since 2005, NESDCAP has served as a VITA site and partners with financial institutions and non-profit organizations to promote the tax credits and free tax preparation. In addition to filing taxes at its office, in 2009, NESDCAP established nine tax preparation clinics in six counties. NESDCAP sites assisted a total of 216 taxpayers, providing approximately \$157,000 in refunds to the community.

Contact: Paula Jensen, NESDCAP, (605) 698-7654 x 33 or paula@nesdcap.org.

Green jobs are jobs that contribute to greater environmental quality. While some green jobs require advanced skills, careers in the green jobs sector can begin at an entry level and can provide a pathway out of poverty for some workers. Employment opportunities include weatherizing homes, retrofitting commercial buildings and private homes, conducting energy audits on businesses and residences, installing wind and solar panels, and manufacturing energy saving products. Many workers entering this field for the first time and those transferring to this sector are likely to earn incomes that qualify them for the EIC and CTC. Since the tax credits provide such valuable support for employees, it is important to inform workers entering new green job employment about the availability of the EIC, CTC and free tax filing assistance.

Strategies

- Work with employers in green industries to inform workers, as well as customers of green products and services, about the tax credits. Encourage them to include envelope stuffers with employee paychecks or distribute flyers to inform employees about the EIC and CTC. Train supervisors to deliver information and answer questions about the tax credits and VITA for employees, especially new hires. Offer to speak about the tax credits during an information session for employees.
- Enlist green jobs training programs to share tax credit information when participants enroll. Training sites that have financial aid offices — such as programs at community colleges — can display posters and provide flyers in waiting areas. Financial aid counselors can also communicate information about the tax credits to participants requesting help in paying for their training. If online registration is available, send an email to new registrants about the tax credits and where to find free tax filing assistance.
- Encourage agencies referring participants to green jobs training programs to promote the tax credits. For example, job seekers often visit One-Stop Career Centers to find information about employment and training opportunities. By promoting the tax credits and free tax services, these centers can show job seekers how to make their participation more feasible.

- Partner with organizations involved in green services such as home retrofitting or energy audits that cater to low-income individuals and inform them about the benefits of the EIC and CTC for their workers and clients. Invite them to join your outreach efforts and provide them with outreach materials.
- Coordinate a free tax filing assistance day at a job training program or business.
- If your organization hosts a VITA site, invite green businesses and job programs to set up a booth to promote green jobs and training opportunities.

FACT:

The American Recovery and Reinvestment Act of 2009 is providing funding for the investment in green jobs. With approximately \$40 billion directed towards energy efficiency and renewable energy projects, including \$500 million for job training programs, more than two million new and current green collar workers will be able to find pathways to careers and higher paying jobs within the next few years.



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Utility Companies

Low-income households are facing tough times as they struggle to meet soaring electricity, natural gas, and heating oil prices, as well as the high cost of gasoline. High energy costs also push up the price of food and other necessities, putting even more pressure on families. As home budgets are squeezed, many households may find themselves in danger of having their power service disconnected. The EIC and CTC can provide the support many families need to keep on top of household bills.



In partnership with the Department of Human Services – Division of

Family Development, the Department of Treasury, the Association of Children of New Jersey and the IRS, Public Service Electric and Gas (PSE&G), the largest utility company in New Jersey, promotes the EIC to customers and the community at large. The company's 2009 efforts included: printing a message about the EIC on January and February bills mailed to over 2 million residential customers; providing tax credit information for customers on its website and through electronic communication to employees; producing and distributing more than 100,000 EIC flyers in English and Spanish for government agencies, faith-based and nonprofit organizations and PSE&G's 16 customer service centers; and displaying EIC messages on TV screens (called "digital signage") in ten customer service centers from January to March. PSE&G also conducted training for customer contact associates at the customer service centers, as well as its call centers, so that anytime staff members talk about energy assistance, they are prepared to discuss the EIC.

Contact: Rosa Pagnillo-Lopez, PSE&G, (973) 430-8207 or rosa.pagnillo-lopez@pseg.com.

Utility companies have experience helping customers avoid service shut-offs. They communicate with large numbers of low-income households each month and are well-positioned to help low-income families understand the advantages the tax credits provide. They also have direct contact with businesses in the community — their corporate customers — and can encourage them to join tax credit outreach activities.

Strategies

Identify a champion within the local utility company to spearhead corporate involvement in your Tax Credit Outreach Campaign. This could be an executive in charge of consumer affairs or customer service. An outreach partner from the United Way or Chamber of Commerce may be able to introduce you to the right person. Once you have made the connection, suggest ways the utility company can help to enhance the campaign. They can be encouraged to:

- Insert tax credit information in monthly utility bills. "Bill stuffers" are a great way to reach all customers with basic information about the credits. Most companies decide on the content of bill stuffers a few months in advance, so plan ahead for a bill stuffer to reach customers in December or January, in time for tax filing season.
- Reach out to customers through direct mail. Utility companies may send special newsletters to customers in zip codes where eligible families reside. They may be able to target customers who have fallen behind in their bills or who have received energy assistance in the past. The mailings can explain the basics of tax credit eligibility and free tax filing and can include a list of VITA sites in the area.

- Highlight the tax credits in consumer affairs broadcasts sponsored by the company. Some utility companies host consumer-oriented shows on local radio or TV. Designate a campaign partner to be interviewed. Invite a worker to talk about how the tax credits helped his or her family.
- Train customer service employees — especially staff in walk-in offices and those who handle billing inquiries — to promote the EIC, CTC and free tax filing assistance. To engage customers, display posters or produce a recorded message that plays while a caller is “on hold.”
- Alert their own employees to the tax credits by mounting posters in employee lounges, inserting information in paychecks or publishing an article in the employee newsletter. Employees who do not qualify themselves can tell family and friends about the credits. These channels also can be used to recruit volunteers.
- Provide resources to support the campaign in general. Utility companies may be able to offer direct or in-kind support such as printing or loaning laptops or donating them when company equipment is being replaced.
- Incorporate tax credit information when helping promote energy payment assistance programs such as the Low Income Heating and Energy Assistance Program (LIHEAP), a federal program that helps low-income individuals pay utility bills to avoid shut-offs.

FACT:

A survey of EIC recipients conducted by Syracuse University's Maxwell School of Citizenship and Public Affairs have found that “paying back utility bills” is one of the top ways workers spend their EIC refunds.

Glad You Asked That!

Q: I am eligible for energy assistance through the Low Income Home Energy Assistance Program (LIHEAP). Will the EIC or CTC reduce the amount of assistance I can get?

A: Since the CTC does not count as income in determining eligibility for any federally funded program, it will not affect your LIHEAP eligibility or the amount of your benefit. However, each state sets its own rules with respect to the EIC and LIHEAP. Therefore, some states may count the EIC as income when determining eligibility for LIHEAP. Check with your local energy assistance program. *For contact information, visit this state-by-state listing of LIHEAP programs: liheap.ncat.org/links.htm. To help workers in need of energy assistance, visit www.liheap.org/assistance.html for information on how to apply for LIHEAP.*



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



Working with schools offers many opportunities to reach families that may qualify for the tax credits. Schools are usually viewed as trustworthy institutions and families pay attention to information children bring home from school. School administrators are often willing to help with tax credit outreach efforts since they know that a secure home environment promotes school achievement. Many have recognized the value of the EIC and the CTC in contributing to family stability.



For five years,
Baltimore County
Public Schools' (BCPS)

Home Instruction for Parents of Preschool Youngsters (HIPPY) program in Maryland has informed families about the EIC and CTC. BCPS HIPPY reaches out to families who have children enrolled in Title I schools to recruit participants for HIPPY, a national parent involvement and school readiness program for parents with children ages 3 to 5. During weekly home visits, HIPPY staff teaches parents how to conduct age-appropriate activities with their children and also notifies families about additional resources that can support the development of their children. Beginning in November, parents get information about the EIC and CTC. Staff provides reminders about the tax credits in December and distributes tax credit flyers in English, Spanish and Korean in January. During the 2009 - 2010 school year, over 100 families from 44 Title I schools will participate in the program.

Contact: Nancy Dillon Tobias, BCPS, (410) 887-3037 or ntobias@bcps.org.

Strategies

- Ask school officials to share tax credit information with families who are likely to qualify. Focus on schools in which many students are eligible for free or reduced-price meals, or Title I schools, which serve elementary school children in low-income communities. Your state Department of Education can tell you which school districts have these programs. Enlist school superintendents or individual principals to distribute information along with notices of eligibility for school meals or with other materials such as school newsletters, report cards and lunch menus.
- Recommend that your state PTA provide information on the EIC and the CTC to all local PTA presidents and encourage them to share the information with families through mailings and community assemblies. Offer to arrange for a speaker to talk about tax credits for working families at an upcoming PTA meeting.
- Make sure school counselors know about the EIC and the CTC and where families can get free tax assistance. These school employees frequently come into contact with families in financial crisis.
- Ask administrators to provide tax credit information to General Education Diploma (GED) classes and to send information with GED certificates.
- Engage community colleges and technical schools in outreach. Students who have returned to school to improve their job skills and are working part-time or at low wages may be eligible for the EIC and the CTC. Others who are taking non-credit courses to learn about personal finance issues, such as homeownership, also may be eligible.

- Involve students in conducting outreach in the community. Many schools have incorporated community service activities into the curriculum. Students can help publicize the EIC and the CTC and assist at VITA sites. Fraternities and sororities, as well as other student associations, can take on tax credit outreach projects.

The New American Opportunity Tax Credit is worth \$2,500 and can be used for tuition and course materials needed to pursue an undergraduate degree. Up to \$1,000 of this credit can be claimed even if no income tax is owed.

Glad You Asked That!

Q:

Can a working family claim a child for the EIC if she is a college student living at school?

A:

Full-time students up to 24 years of age can be qualifying children for the EIC. If the student lives away from home to attend school, it is considered a “temporary absence” and the student still can count as a qualifying child.

Q:

If a student gets financial aid, can his family still get the EIC or the CTC?

A:

Non-taxable scholarships and grants are not considered income in determining eligibility for the EIC and the CTC; taxable grants and scholarships also are not considered “earned income,” but are included in determining “adjusted gross income,” which may affect eligibility for the EIC and the CTC. Check with IRS at 1-800-829-1040 to find out which scholarships and grants are taxable or non-taxable.

Q:

If a family gets the tax credits, will it mean the student won’t qualify for financial aid?

A:

The EIC is counted as family income in determining financial aid eligibility, but CTC refunds are not. However, that doesn’t mean the EIC will prevent the student from getting financial aid since adding the amount of the credit to other income often will not cause the family to exceed the income limit for financial aid.



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More Outreach Strategies and Examples

More Questions and Answers on Tax Credits and Student Financial Aid

Fact Sheet on the American Opportunity Tax Credit



Individuals Released From Prison or Workers with a Relative in Prison

According to U.S. Department of Justice reports, approximately 650,000 former state and federal prisoners reenter society each year. Individuals with criminal records often have trouble finding employment and since they may be “starting over”, their resources are extremely limited. When they do obtain a job, it is often low-wage or intermittent employment, making it difficult for them to achieve financial stability. Another ten million individuals are released from local jails each year and experience similar barriers to employment. The EIC and CTC can provide additional support for eligible former prisoners and jail which improve their ability to obtain long-term employment and reduce the risk of recidivism.

In addition, the Department of Justice reports that more than half of the 1.4 million adults incarcerated in state and federal prisons are parents of minor children. When a parent is incarcerated a relative often steps in to care for the child. Since these relative caretakers are likely to not have budgeted for raising a child, the EIC and CTC can help family members who become the caregivers of the child of a person who is incarcerated.



The Department of Employment and Social Services (DESS) of

Butte County, California works in partnership with the Butte County Private Industry Council (PIC) to increase the number of formerly incarcerated individuals and their families that receive information about the availability of refundable tax credits and free tax preparation. From January through April, DESS and PIC representatives provide information on the tax credits and other vital benefits to 75 to 100 parolees and community partners at monthly Parole and Community Team (PACT) meetings. The staff also provides outreach materials at its two One-Stop job resource centers, which serve many individuals released from prison and family members of the incarcerated. At the One-Stops, tax credit information is disseminated through handouts in reception areas, PowerPoint slideshows displayed in the lobbies, and one-to-one outreach conducted by resource specialists and case managers during client meetings.

Contact: *Charlie Boales, DESS, (530) 879-3743 or CBoales@buttecounty.net.*

Strategies

- Enlist state and local prisoner reentry programs, including rehabilitative programs and post-release transitional programs. These programs often provide job training and job placement assistance for former prisoners to secure employment upon their return to the community. Outreach Campaigns can train staff working with prisoner reentry programs about the tax credits so that they can incorporate information into their services.
- Work with parole agencies to help ensure individuals who are approaching release from prison are aware of the EIC, CTC and free tax filing assistance upon their reentry into the community. Some parole agencies help link parolees to job training programs.
- Establish partnerships with corrections officials to include EIC and CTC information in financial education classes. Some new inmates may be eligible to claim these tax credits based on work completed prior to entering prison. The tax credits can provide an opportunity for prisoners to have some funds available upon their release or to help support their families.

- Educate local public defender and legal aid office staff. In addition to providing legal representation, such offices may appoint case managers to assist clients in finding community resources. These legal offices can provide information about the tax credits and where to find free tax filing assistance.
- Ensure that relatives caring for children of a parent who is in prison are aware of their eligibility for the EIC and CTC. Work with organizations that serve relatives of inmates. Some communities operate programs for children of incarcerated parents, such as emergency childcare, day care, and part-time summer camps. *Family and Corrections Network is a national organization that provides support for families of prisoners. Visit: www.fcnetwork.org.*
- Encourage groups that advocate for individuals released from prison and/or workers with a relative in prison — such as local community and faith-based organizations — to display tax credit posters in highly visible areas, such as laundry mats, gas stations and convenience stores. Groups can also host an event to highlight the support systems needed for former prisoners reentering society.

The National HIRE (Helping Individuals with Criminal Records Reenter through Employment) Network provides a clearing-house of information about state and federal government agencies and community-based organizations across the country that may assist former prisoners reentering the community. To find such groups in your area, visit the resource page: www.hirenetwork.org/resource.html.

Glad You Asked That!

Q: Can individuals be eligible for the EIC or CTC based on working in prison?

A: Individuals cannot receive the EIC or the CTC based on their earnings in prison. However, if individuals work and earn income during the same year that they enter prison, they may qualify to claim these tax credits if otherwise eligible.

Q: Some employers are hesitant to employ people who have spent time in prison. Are there any tax credits to encourage employers to hire individuals recently released from prison?

A: Yes, the *Work Opportunity Tax Credit (WOTC)* can reduce employers' federal income tax liability by as much as \$2,400 for every qualified new worker hired from one of nine categories, including former prisoners. New employees must be hired within one year of the last date on which he or she was released from prison. *For additional information, visit: www.doleta.gov/business/Incentives/opptax.*



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



Workers with Disabilities and Families Raising Children with Disabilities

Low-wage workers with disabilities and families that are raising children with disabilities face profound challenges. Finding transportation to and from the job may be costly and difficult to arrange. Out-of-pocket health care expenses may be higher than for other families. Securing child or adult day care for a family member with special needs may pose a financial burden. For these reasons, the income boost that the EIC and the CTC provide can be vital. Outreach efforts can inform families that special rules may help them qualify if they work and have a severe disability or are raising a child with a severe disability. Such efforts also can allay fears that claiming the credits will jeopardize the public benefits that people with disabilities depend on.

The 2007 IRS Benchmark Study found that 51 percent of taxpayers with disabilities earn less than \$20,000 and that 1.3 million working persons with disabilities are not filing federal tax returns and are missing out on available credits. Such families and individuals may not know about the tax credits.



Goodwill of Southern Nevada (GSN) has partnered with the IRS

SPEC Disability Initiative and the Earn It Keep It Save It Collaborative for two years. In 2009, GSN organized eight tax preparation events for clients served by the Deaf and Hard of Hearing Advocacy Resource Center, U.S. VETS – Las Vegas, Mojave Mental Health Association and Easter Seals of Southern Nevada. As part of the Real Economic Impact Tour, GSN also co-developed sensitivity training materials on working with people with disabilities that were used in volunteer tax preparation trainings sessions.

Contact: Magda Hirsch, GSN, (702) 214-2070 or magdah@sngoodwill.org.

Strategies

- Enlist groups that advocate for people with disabilities. The Consortium for Citizens with Disabilities (CCD) is a coalition of approximately 100 national disability organizations. CCD members include organizations such as Easter Seals, Family Voices, the Arc of the United States, United Cerebral Palsy, the National Alliance for the Mentally Ill and others that have members throughout the country. *To contact CCD members, visit www.c-c-d.org. You also may find potential partners by contacting the National Council on Independent Living. For more information, visit www.ncil.org.*
- Encourage “Disability Program Navigators” (DPNs) to incorporate tax credit outreach into their routine discussions with people seeking employment. The Disability Navigator Initiative is a joint project of the U.S. Department of Labor (DOL) and the Social Security Administration which aims to help people with disabilities better understand work support programs and other services available through DOL One-Stop Career Centers. Provide DPNs and One-Stops with tax credit outreach materials. *For more information, visit www.doleta.gov/disability/new_dpn_grants.cfm. To locate DOL One-Stop Career Centers in your state, visit www.doleta.gov/usworkforce/onestop/onestopmap.cfm.*

- Reach out to your state’s Work Incentive Planning and Assistance (WIPA) Project, formerly known as the Benefits Planning, Assistance and Outreach (BPAO) Program. The Social Security Administration (SSA) funds community-based organizations in every state to help SSA beneficiaries with disabilities make informed choices about work. Ensure that WIPA Community Incentive Coordinators have the information they need to alert people to the tax credits and how to claim them. *For a directory of WIPA Projects across the country, visit <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>.*
- Encourage state agencies that provide services to people with disabilities (such as agencies for vocational rehabilitation, supported employment, supported living, mental health, mental retardation or developmental disabilities) to share information about the EIC and the CTC with program participants and their families.
- Take steps to ensure that free tax assistance sites are accessible to people with disabilities. Until existing sites can be modified, a mobile tax assistance site or home visiting program may be good alternatives.

The Real Economic Impact Tour operates in 100 cities and focuses on ensuring that people with disabilities know they may qualify for the tax credits and can claim them. For more information, visit www.reitour.org.

Glad You Asked That!

Q:

Can a person who receives disability benefits get the EIC and the CTC?

A:

To be eligible for the EIC, individuals must have earned income. Most disability-related benefits are not considered earned income, but a person who received long-term, employer-paid disability benefits and is under minimum retirement age can qualify for the EIC, even if he or she did not work during the tax year. Such disability benefits are considered earned income. Social Security Disability Insurance, SSI and military disability pensions are not counted as earned income.

Q:

Can children with disabilities be claimed for the tax credits?

A:

A person of any age with total and permanent disabilities may be claimed as a “qualifying child” for the EIC. A child claimed for the CTC, including a child with disabilities, must be under age 17 at the end of the year.



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

More Outreach Strategies and Examples

Fact Sheet on the Tax Credits and People with Disabilities

More Questions and Answers on the Tax Credits for People with Disabilities



Immigrants and Workers Whose First Language is Not English



The Worcester EITC Coalition (WEC) in Massachusetts significantly

increased its success in reaching out to local immigrant communities in 2007, when the city began funding a part-time coalition coordinator who could focus on developing relationships with local agencies such as Southeast Asian Coalition, African CDC, Great Brook Valley and Centro Las Americas. The WEC coordinator meets individually with staff from each organization to share information about the EIC and CTC including details related to eligibility for tax credits and free tax preparation services. WEC also produces flyers in Spanish, Chinese, Albanian and Vietnamese. At the Southeast Asian Coalition, WEC coordinates an annual one-day VITA tax preparation event, for which Southeast Asian Coalition staff recruits volunteer translators. Since recruiting multi-lingual tax preparers for WEC's four VITA sites is a challenge, WEC encourages taxpayers to bring a bilingual family member or friend and also recruits other staff members to translate. In 2009, WEC VITA sites prepared a total of 1,082 returns, and 492 of them were filed for clients who speak a language other than English at home.

Contact: Olga Lopez-Hill, Worcester Community Action Council, (508) 754-1176 x155 or ohill@wcac.net.

Workers who are not proficient in English often earn low incomes and may not understand that they can qualify for the EIC and the CTC. It is especially important for outreach messages to emphasize that immigrants who are legally authorized to work and have Social Security numbers (SSNs) may be eligible for the EIC, and that families may qualify for the CTC even if all family members do not yet have SSNs. Conducting outreach only in English will miss eligible workers who can greatly benefit from this information and assistance.

Strategies

- Use bilingual materials. This kit includes flyers, posters and envelope stuffers in English and Spanish. Flyers in 19 additional languages also are available on our website at www.cbpp.org/eic2010.
- Dispatch bilingual staff or volunteers to explain the tax credits and answer questions at presentations to community groups or in one-to-one conversations. Immigrant workers may have trouble understanding complex tax rules or they might have been denied other public benefits, such as food stamps (now called SNAP) or Medicaid, in the past and might assume they do not qualify for tax benefits. Immigrants may incorrectly believe that claiming tax benefits could jeopardize their immigration status or their ability to become a citizen.
- Provide information about the EIC and the CTC through Newcomers Clubs, settlement houses, immigrant aid associations and legal services. Organizations such as Catholic Charities, Jewish Family Services and Mutual Assistance Associations (MAA) provide helpful services to refugees. *To find the MAA in your state, call the Southeast Asia Resource Action Center at (202) 667-4690 or visit www.searac.org.*
- Partner with organizations that are likely to have bilingual and bicultural staff, including educational and social programs sponsored by churches, mosques or synagogues. Encourage schools to provide bilingual material about the tax credits, and work with English as a Second Language (ESL) programs or migrant education coordinators. Community events, such as health fairs, educational programs, job fairs, or holiday festivals also present outreach opportunities.

- Enlist businesses in immigrant communities, such as ethnic grocery stores or restaurants, barber shops or nail salons. They are important places to display posters and flyers and to talk directly to customers.
- Promote multi-lingual free tax help in the community. Immigrant workers and workers who have limited English proficiency may be especially vulnerable to ill-trained or dishonest commercial preparers. To provide an alternative, encourage trusted institutions in the community to establish VITA sites and recruit VITA volunteers. When advertising VITA sites, indicate which sites provide services in languages other than English.
- Work with non-English language media. Many non-English-speaking communities have their own radio and TV programs and newspapers. Encourage news coverage, run ads, write articles and develop public service spots on the tax credits. Identify the best times for broadcasting. For example, farm workers may listen to the radio in the pre-dawn hours before beginning work in the fields. *For information on Spanish language media, contact National Council of La Raza at (202) 785-1670. For other non-English media by language or ethnicity, visit New America Media at news.newamericamedia.org/directory. Note: Membership is required to access some features.*

FACT:

According to the 2008 American Community Survey, over 55 million people reported speaking a language in addition to or in place of English at home.

Glad You Asked That!

Q:

Can immigrant workers get the EIC?

A:

Many immigrants who are legally authorized to work can get the EIC. The immigrant worker, his or her spouse, and children listed on the Schedule EIC must each have a valid Social Security number that permits work in the U.S. The “qualifying children” must have lived with the worker in the U.S. for more than six months of the year. Also, the worker’s main home must be in the U.S.

Q:

Can immigrant workers get the CTC?

A:

If they qualify, immigrant workers can get the CTC if they or their qualifying children have either a valid SSN (including a non-work SSN) or an Individual Taxpayer Identification Number (ITIN). The child must be a U.S. citizen or resident alien who lives in the U.S.



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

Tax credit flyers in 21 languages including English and Spanish
More Outreach Strategies and Examples
More Questions and Answers on Tax Credits and Immigrant Workers
Information on Individual Taxpayer Identification Numbers (ITINs)



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



Workers Who Are Homeless

Workers who are homeless face serious challenges that may prevent them from claiming the EIC and CTC. Without a stable place to live, workers who are homeless may not receive mail consistently, making it hard to be sure they will receive the documents needed to file a tax return and claim tax credits. Sometimes, people who are homeless are unable to keep track of documents they may have received or their documents have been destroyed.



The Homeless Resource Network (HRN), a founding member of the VITA in the Valley Coalition in Columbus, Georgia, has hosted a free tax filing assistance site since 2004. HRN provides information and referral, mail and phone services, storage of personal items, local bus transportation and financial assistance for people facing eviction, foreclosure or utility disconnect. In 2009, HRN's VITA site prepared 101 tax returns providing \$109,053 in total refunds to tax filers. HRN staff and volunteers complete the tax returns and also assist clients with contacting employers to request copies of their Form W-2, if needed. Clients can also use HRN's address to receive mail, including tax refund checks. HRN promotes its site through meetings for organizations that serve the homeless, email lists and by delivering posters for display at area shelters.

Contact: Liz Alcantara, HRN, (800) 341-9371 or liz@homelessresourcenetwork.org.

Strategies

- Let workers know they can file a tax return and claim tax credits even if they do not have a permanent address. Shelters or other service providers, such as a health care clinic or a drop-in day center, can allow residents or clients to use their address for tax purposes. Organizations that do this should ensure their mail-handling procedures are secure and provide a way for refund checks to reach workers safely. Some organizations require mail to be opened in front of two staff members so that both can verify that checks were received.
- Enlist food banks, soup kitchens, shelters, transitional housing programs and local welfare agencies that come in contact with homeless persons. Work with shelters to establish free on-site tax filing clinics. Engage job placement assistance programs for homeless persons in tax credit outreach. They can extend their efforts by informing employers with whom they work about the credits and encouraging them to share information with all of their employees.
- Contact national organizations that have state or local affiliates to identify local groups providing services for people experiencing homelessness, such as the National Coalition for the Homeless, (202) 462-4822 (www.nationalhomeless.org), the National Alliance to End Homelessness, (202) 638-1526 (www.endhomelessness.org), the National Law Center on Homelessness & Poverty, (202) 638-2535 (www.nlchp.org) and the National Coalition for Homeless Veterans, (800) 838-4357, (www.nchv.org).
- Reach out to your state's Coordinator for the Education of Homeless Children and Youth. School districts are also required to have a homeless "liaison" to coordinate educational services for students who are homeless. Encourage your school district's liaison to provide information about the EIC and CTC to families.

- Explore using “street newspapers,” which raise public awareness about poverty and homelessness by publishing articles by people who are homeless or formerly homeless, advocates and professional writers and are sold by people who are homeless. Outreach Campaigns can encourage publishers to inform sellers about the tax credits, to publish stories about the tax credits, and to advertise the locations of local VITA sites. Place an advertisement to recruit volunteers for free tax filing assistance. *To find out if there is a street paper in your area, visit the North American Street Newspaper Association, www.nasna.org.*
- Connect with your city’s “Plan to End Homelessness” by enlisting participating groups in tax credit outreach activities. These initiatives were spearheaded by the U.S. Interagency Council on Homelessness, the U.S. Department of Housing and Urban Development, the U.S. Conference of Mayors, the National Association of Counties and the National League of Cities. *To find out if your state or city has a “Plan to End Homelessness” visit www.ich.gov/library/10-year-plan-cities.pdf. View plans for some locations at www.endhomelessness.org/section/tools/communityplans.*

FACT:

According to the National Law Center on Homelessness & Poverty, research suggests 40 percent of families experiencing homelessness have children, and approximately 40 percent of all homeless adults are employed at some time during the year.

Glad You Asked That!

Q:

If a person who is homeless has lost the papers they need to file taxes, what can they do?

A:

If a worker cannot get a copy of their documents from their employer, he or she can complete Form 4852, “Substitute for a Missing Form W-2 or Form 1099.” This form requests information about wages and taxes withheld, so it is helpful if workers have documentation, such as a final pay stub, when completing this form. Workers without a final pay stub may still be able to complete the form by estimating their earnings. It will be helpful to get assistance from a local VITA site on how to do this.



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



Rural Communities



AccountAbility
Minnesota (AAM) in St.
Paul has led tax preparation

services for surrounding rural and urban areas for 38 years. In 2009, AAM prepared over 37,500 tax returns, of which 9 percent were for rural community members. Because many rural workers cannot reach existing free tax preparation sites, AAM conducted a pilot program using video-conferencing to connect rural families to volunteer tax preparers. The program focused on self-employed workers, who are particularly underserved by VITA, but was available to all workers. AAM worked with a Salvation Army, a Community Action Agency, and a tribal reservation development initiative since these rural-based agencies could conduct client intake, but relied on AAM to prepare the tax returns. Using a free downloadable program called Skype allowed AAM's computers to make free video calls to the computers at partner sites. For the system to work, all organizations also needed to have internet access, a webcam with a microphone, and a fax machine or scanner. Once connected, AAM assisted clients the same way they work with clients in person. After completing the tax return, AAM faxed it to the partner site so that clients could leave with a copy in hand.

Contact: Acacia Willey, AAM, (651) 287-0187 x109
or awilley@accountabilitymn.org

Wages in many rural communities are lower than in larger cities, making it more likely that workers may qualify for the EIC. However, since services of all kinds are less accessible than in urban areas — from social services and libraries to VITA sites and even commercial tax preparers — information about the tax credits and places to go for tax filing assistance may be less available. Outreach efforts are needed, especially in isolated communities, to provide a channel for tax credit information to reach rural workers.

Strategies

- Rural communities tend to be close knit, so identifying trusted leaders and institutions will help get Outreach Campaigns started. For example, in some rural places a local minister might be a key starting point. Work with local organizations to help determine how to target outreach efforts.
- Ensure visibility and access by conducting outreach and free tax preparation in a community's commercial center where rural residents go to fulfill multiple needs.
- Inform small business owners about how helping employees claim these tax credits can increase employee productivity. In addition to promoting the tax credits, some small businesses may be willing to serve as free tax preparation sites during or outside of business hours. Larger businesses such as factories and farms can also become engaged in outreach efforts. Rural areas with tourist attractions, such as bed and breakfasts, gift shops and restaurants, employ workers who may qualify for the EIC and CTC.
- Involve statewide organizations and businesses that may have connections in rural areas. Enlist the state Department of Human Services, the United Way or Catholic Charities in outreach. Encouraging a statewide approach to outreach will enhance the likelihood that rural areas are included.
- Collaborate with the Cooperative Extension Service. There are nearly 3,000 county and regional Cooperative Extension offices based at more than 100 land grant colleges and universities. In addition to addressing rural and agricultural needs, Cooperative Extension focuses on issues such as family financial management and community economic development. Extension offices can send information about tax credits to families, offer financial literacy classes, help set up VITA sites or provide training to volunteers. *To identify offices in your state visit www.csrees.usda.gov/Extension.*

- Find out when there are community events and how to become involved. For example, local sports events, festivals, church picnics, back-to-school nights, PTA meetings or regional conferences can offer great opportunities to reach many eligible workers at once.
- Take advantage of schools in rural areas. They can be an important channel for tax credit information and may also provide a central location for VITA sites. Community colleges and universities provide an important avenue to reach out to some working parents and low-income students not raising children.
- Create support for tax credit outreach by informing county commissioners and town councils about how the EIC and CTC can stimulate the local economy. In addition, these officials often hold other positions in the community and can influence a variety of organizations to lend their support to tax credit outreach efforts.
- Establish a mobile tax preparation site. A van, staffed with volunteers, can tour the region and prepare tax returns at pre-arranged locations. Or, individual staff members can carry a laptop and help workers file their taxes at home or where they work. Partnering with a community college can mean access to student volunteers and lap top computers to facilitate electronic filing. IRS offices may also loan computers to VITA sites.
- Use technology to bridge long travel distances. Videoconferences or webcasts can be used to conduct meetings, trainings or to file tax returns. Hospitals, local universities and community colleges, corporations and businesses, federal or state agencies, or Cooperative Extension Services offices may have the necessary equipment and may be willing to host a meeting. Alternatively, some websites offer “web conferences” services or interactive “webinars” that allow people to come together. Keep in mind that these web-based tools may not be useful for Outreach Campaigns working in communities where high speed internet connections are not available.

FACT:

According to the 2000 Census, the vast majority (96 percent) of the 500 counties with the lowest per capita income are in rural areas.



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



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.



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



Tribal and Native Communities

Efforts to improve the economic status of Native Americans — one in four of whom live in families with income below the federal poverty line — are increasing. Particularly in rural areas, small businesses, hotels and casinos are emerging and are contributing to economic growth. However, employees in small businesses generally earn low wages, as do workers in the service and tourism industries. Thus, despite the progress, the average income of Native Americans remains less than \$17,150 per year.



Ysleta del Sur Pueblo (YDSP) in El Paso

County, Texas connects

with the tribal community both by partnering with tribal community leaders and non-tribal groups. YDSP works with Oweesta, a national organization that assists in building strong Native communities and assets, to distribute outreach materials such as payroll stuffers with EIC eligibility guidelines for tribal employees. Since beginning its VITA Program in 2004, YDSP also has worked to combat predatory lending by providing free tax preparation services to the tribal community and empowering tribal members to utilize the EIC as an asset building catalyst. In 2009, the YDSP VITA site became the primary free tax preparation service provider in the area by combining two smaller VITA sites into one. The total number of tax returns prepared doubled from 326 in 2008 to 649 in 2009. Of these families, 317 qualified for \$671,018 in EIC refunds. Among its seventeen local coalition partners, YDSP was the site that brought the most EICs into the area.

Contact: Linda Austin, YDSP, (915) 859-8151 or laustin@ydsp-nsn.gov.

Poverty and other barriers to economic development among tribal communities stem from historical interactions with the federal government. Land trust regulations restricted resources and job opportunities. As a result, Native communities frequently are guarded about relations with the federal government or people who are not part of their community. Thus, eligible people in tribal communities may be hesitant to claim the credits. Tax filing may not only be intimidating, but may be perceived as being in conflict with traditional tribal values of self-reliance.

Strategies

- Get to know the community. There are 564 federally recognized tribes, bands, nations, pueblos, rancherias, communities and Native villages, in addition to many other groups that are not federally recognized. It is important for outreach approaches and messages to be consistent with the values and beliefs of individual tribes, as well as community priorities. Native communities have limited resources, so it may be difficult for groups to commit to outreach, even if they support outreach goals.
- Reach out to urban Native Americans. More than 65 percent of the four million Native Americans nationwide live in urban communities. The following ten cities have the largest American Indian and Alaska Native populations: New York, Los Angeles, Phoenix, Anchorage, Tulsa, Oklahoma City, Albuquerque, Tucson, Chicago and San Antonio.
- Work with a trusted organization in the community that may be interested in promoting the tax credits, such as: tribal health agencies, urban Indian centers, tribal Head Start or housing agencies, and tribal councils. Community members will know the most effective ways to work with tribal elders and other leaders who play a pivotal role in

influencing community priorities. Visit the Tribal Leaders Directory and view tribal leaders by region at: www.doi.gov/bia/docs/TribalLeadersDirectorySpring2009.pdf or visit www.ncai.org.

- Engage tribal community colleges and universities, which serve as career centers, libraries, economic development centers, public meeting places and child care centers. They may be able to provide computers, volunteers and a space for free tax preparation. Tribal colleges also can inform students about the EIC and CTC and encourage them to tell family members and neighbors. *The American Indian Higher Education Consortium provides information for all tribal colleges and universities in the U.S. at www.aihec.org.*
- Enlist Native media in informing people about the tax credits. They can deliver information in the language or dialect of the community. Newspapers can publish stories about how tribal members benefited from the credits and they can advertise free tax filing assistance. Non-Native media may also be influential in Native communities. For example, radio stations may schedule shows of particular interest to tribal members.

The Native Financial Education Coalition (NFEC) publishes *Building Native Communities: A Tribal Leader's Guide to Launching an Earned Income Tax Credit (EITC) Campaign*. To find out more about the guide and to order free copies, contact First Nations Oweesta Corporation, (605) 342-3770 or info@oweesta.org. To learn more about NFEC visit www.nfec.info.

Glad You Asked That!

Q:

Can Native Americans claim the EIC and CTC even if they are exempt from federal income tax?

A:

In general, Native Americans are not exempt from federal income tax on their earnings. Native Americans are only exempt if a treaty between a tribe and the U.S. government, or a U.S. statute, specifically excludes certain income from taxation. For example, a treaty may establish a tribe's right to tax-exempt fishing activities and tribal members earning income from fishing will be exempt from federal and state income tax. If the income is exempt from income tax, it is not considered "taxable earned income" for purposes of the EIC and CTC, and is not counted in figuring eligibility for, or the amount of, the credits. A worker may have earned income from other employment and can claim the EIC and CTC based on that income, if eligible.



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

More Outreach Strategies and Examples
Links to a broad range of tribal agencies



Military Personnel and their Families

Many enlisted members of the military earn less than \$30,000 and are raising children. In addition, many National Guard members and Reservists have been activated for duty, which can result in a significant reduction in a family's income. Military families may qualify for tax benefits such as the EIC or CTC, but may not realize they are eligible.

To address the needs of these families, the Office of the Secretary of Defense, in partnership with the IRS, has established VITA sites at 300 U.S. military installations. Military VITA sites file about 300,000 federal returns each year. While such assistance is important, it may not reach some members of the military or their families. Family members who do not live near a military post may not get the relevant tax information they need, since they may seek help from people who are not well-versed in the special rules regarding military pay and eligibility for the EIC and CTC.



As part of the Earned Income Tax Credit/Smartbucks Alliance, United Way of the Mid-South (UWMS) in Memphis, Tennessee has worked with two VITA sites on military bases for more than ten years. Flyers are posted on the bases to promote the service and help recruit volunteer tax preparers. In 2009, the Naval Legal Service Office prepared 490 tax returns and the Tennessee Air National Guard completed 71 returns.

Contact: Yvonne Howard, UWMS, (901) 433-3134 or yvonne.howard@uwmidsouth.org.

Strategies

- Contact the Family Assistance Center for the military unit in your area to ensure it is aware of the EIC, CTC and free tax filing assistance programs in the community. The National Military Family Association provides links at its website to Family Assistance Centers for the National Guard and Reserves. The American Red Cross and the Boys and Girls Clubs of America are other organizations that provide support to families of units called up for active duty. Their local chapters may also be good points of contact for efforts to reach military families. *Contact the Government Relations Department, National Military Family Association, at 1-800-260-0218 or at families@nmfa.org for suggestions on who to contact or visit www.nmfa.org/site/PageServer?pagename=links#FamilyAssistance.*
- Contact a near-by military installation that has a VITA site. Ask how to refer members of the military living off-post to the VITA services offered at the post or base.

Glad You Asked That!

Q: Can military personnel claim the EIC and the CTC?

A: Yes. Military personnel can claim the credits whether they live in the U.S. or overseas. The IRS considers an individual assigned to an overseas tour of duty to be temporarily absent from the U.S. due to a special circumstance. Military personnel who live with qualifying children while stationed on active duty outside the U.S. can be eligible for the tax credits. Even if their qualifying children remain in the U.S., the children may be claimed for the EIC and the CTC. Military couples living apart due to a military assignment must still file a joint return to claim the EIC and the CTC.

Q: Can an individual serving in the military be considered a qualifying child for the EIC?

A: An individual serving in the military who is under age 19 may be claimed as a qualifying child for the EIC. The individual is considered to be temporarily absent due to the military assignment.

Q: How is combat pay counted in determining eligibility for the EIC?

A: Military pay received in a combat zone is non-taxable earned income, but it is treated differently than other forms of non-taxable earned income for EIC purposes. Military personnel can choose to count combat pay when figuring their eligibility for the EIC if it is an advantage. For example, adding combat pay to a family's earnings might raise the family's income above the EIC eligibility limit and the family would not want to count it. However, in families with little income, counting combat pay could result in a larger EIC and the family would want to do so.

Q: Does combat pay count for the CTC?

A: Combat pay must be counted as income in figuring the CTC. For the CTC, counting combat pay will always work to the family's advantage, enabling more military families to qualify.



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

More Outreach Strategies and Examples

More Questions and Answers on the Tax Credits and Military Personnel

Link to IRS Publication 3, "Tax Information for Military Personnel"



Strategies for Promoting Free Tax Filing Assistance

A basic goal for any Tax Credit Outreach Campaign is to get the word out to low-wage workers that they may qualify for significant tax benefits. But, the outreach job is not done until they file their tax returns and obtain the tax credits they've earned. That's why a critical element of a successful campaign is the effort to link workers with free tax filing assistance, through the IRS-sponsored Volunteer Income Tax Assistance (VITA) program. While VITA is the largest such program serving working families, workers also use the AARP Tax Aide program or other separate free tax preparation programs.



United Way Howard County's (UWHC)

Information and Referral

Hotline in Kokomo, Indiana refers callers to local free tax filing assistance sites each year during the tax season. In 2009, UWHC expanded this role by opening its own VITA site to help more people in the community take advantage of tax refunds. UWHC is one of only three 2-1-1 centers in the state that sees walk-in clients as part of its customary services, making the transition to provide free tax filing assistance much easier. UWHC began this service late in the tax season and therefore helped only 35 tax filers. Next year, UWHC plans to bring together a coalition of community leaders — including local government, the IRS, faith-based organizations, and banks and credit counselors — to better fulfill the community's need for tax credit outreach efforts. UWHC will also focus on increasing media coverage and training more volunteer tax preparers.

Contact: *Cindy Dunlap, UWHC, (765) 457-4357 or cdunlap@unitedwayhoco.org.*

Strategies

Hotlines

Set up a hotline to publicize free tax assistance sites, precluding the need for tax filers to rely on the IRS toll-free number which is often busy during the height of tax season. A local hotline can provide callers basic information about eligibility rules and locations for nearby VITA site. In areas where large numbers of residents speak languages other than English, a local hotline with bilingual operators can be critical to an Outreach Campaign's ability to help workers claim the EIC and CTC.

- Link up with an existing information hotline, such as information and referral (I&R) services (commonly run by United Way agencies) that already receive calls from individuals likely to be eligible for the EIC and the CTC. Operators may be able to answer tax credit questions during tax filing season. The United Way of America coordinates a popular I&R service known as "2-1-1" which enables callers in forty-six states plus D.C. and Puerto to dial 2-1-1 to find information on local human services programs. Many local Tax Credit Outreach Campaigns now use "2-1-1" as their hotlines. *Visit www.211us.org to learn more.*
- Help prepare for the extra volume of calls a hotline can expect to receive by contributing staff, volunteers or funds. Another possibility is to add tax credit information to Child Care Resource and Referral (CCRR) agency hotlines which help families in search of affordable child care. CCRR phone counselors can discuss tax credits with callers and point out that tax refunds can be used to cover the out-of-pocket costs of child care. Large employers may have companywide hotline services to assist employees with concerns about transportation, child care, and other needs. Adding tax credit information makes sense.

- Establish a new hotline by hiring an answering service or engaging volunteers or a voicemail system. Your hotline can help callers determine if they are likely to be eligible for the EIC and the CTC or it can simply refer them to VITA sites. *The Legal Aid Society of Orange County coordinates a national EIC hotline, 1-888-4-EITC-4U, that provides information in English or Spanish about EIC eligibility and free tax preparation sites according to zip code. For more information visit: www.eicpartner.com.*

Strategies

Financial Institutions

Under the Community Reinvestment Act (CRA), financial institutions — including mainstream banks, community banks, credit unions and locally owned savings institutions — are evaluated on their efforts to help underserved neighborhoods gain access to credit and other financial services. Financial institutions have become enthusiastic Tax Credit Outreach Campaign partners and have helped tax filers open bank accounts and arrange for direct deposit of refunds.

- Encourage financial institutions to offer affordable bank accounts at free tax preparation sites and work with them to decide on favorable terms. For example, banks can waive or reduce monthly fees, minimum balances and penalties. A report from The National Community Tax Coalition (NCTC) explains desirable bank account features that can be negotiated with financial institutions. *Find “Financial Institution Partnership Guidelines” in NCTC’s Resource Library under the financial services section at www.tax-coalition.org.*
- Enlist banks or credit unions to provide free check-cashing for people who do not have bank accounts or are not interested in opening one. One Outreach Campaign partnered with a bank to issue vouchers to tax filers at a VITA site that could be redeemed for free refund check cashing.
- Augment volunteer efforts by enlisting financial institutions to allow their employees to volunteer at a free tax site on company time. The Federal Deposit Insurance Corporation (FDIC) works with banks to organize such efforts. *FDIC regional offices can be found at www.fdic.gov/about/contact/ask/regionaloffices.html.*

FACT:

A study by the Center for Financial Services Innovation finds that 18.5 million U.S. households do not have a bank account and are “unbanked.” The mean household income of the unbanked is \$23,600, making them potentially eligible for the EIC.



In 2009, the State Employees' Credit Union (SECU) in North Carolina, provided free tax preparation services for its second year. SECU extended its services to 222 branches, helping more than 25,000 clients claim more than \$15.7 million in tax refunds. Although the service was targeted to current credit union members, it was open to all, and in 2009, 2,300 non-members received tax services. Subsequently, 308 of these clients opened new deposit accounts at SECU. SECU provides a low-cost alternative to expensive Refund Anticipation Loans, called the Tax Refund Express Loan (TREL). When a client requests the TREL, which has an interest rate of 12% APR, SECU staff clarify that the TREL is not required and direct deposit and e-filing are a quick option. As a result, in 2009, only 1.2% of clients chose the TREL option.

Contact: Josh Kelly, SECU, (919) 857-2150, or josh.kelly@ncsecu.org.

FACT:

A survey by the Pew Internet & American Life Project found 60% of adults living in households with annual incomes of \$30,000 or less use the Internet compared to 95% of adults with annual incomes of \$75,000 or more.



United Way of
Central Alabama's
(UWCA) mobile VITA site

began preparing tax returns on-site for employees of a hospital and a fire extinguisher manufacturer in 2006. In its first year, UWCA prepared 37 returns at the two sites combined. By 2009, UWCA expanded its tax preparation capacity to include 20 mobile locations, provided technical support for 25 partner sites, and helped clients to prepare their own taxes using One Economy's online tax filing program called The Beehive Tax Tool. In 2009, UWCA's 800 tax clients included 43 clients who utilized the online tool. UWCA offered weekly "tax labs" with a VITA certified coordinator available to answer questions as people filed their tax returns on computers at eight community locations.

Contact: Judy Allen, UCWA, (205) 458-2088 or jallen@uwca.org.

Strategies

Technology and the Internet

Use of the Internet has opened up many Tax Credit Outreach Campaign opportunities, from presenting new channels for publicizing campaign activities to linking low-income workers with technology that can save time and paperwork.

- Let workers know how to obtain EIC and CTC tax forms at the IRS website, www.irs.gov/formspubs. You can also download key forms and post them to your own organization's website. The IRS website also provides information about eligibility for the EIC and CTC, including an online tool in English and Spanish for individuals to figure their own eligibility — search for "EITC Assistant" at www.irs.gov. Providing this information helps ensure that workers — especially those who choose to file their own returns — do so properly.
- Expand access to electronic filing (e-filing) at VITA sites by helping them obtain computer equipment. Local businesses that are upgrading their computers may be willing to donate their older models. The IRS can provide free software needed for e-filing. Talk to your IRS Territory Manager about the computer system requirements for this software. E-filing can improve VITA services, enabling filers to receive their refunds much faster than returns sent by mail and, because many minor errors on e-filed returns are caught before the return is accepted, corrections can be made averting refund delays.
- Post information about VITA sites on your website and send email announcements to your contacts or listserv to inform them about free tax preparation services. Monitor VITA site schedule changes during the filing season so that you can update information as needed.
- Reach out to "digital divide" programs. While the number of low-income households with access to the Internet is steadily increasing, low-income families still are much less likely than higher-income families to have regular Internet access. Programs to address this gap, known as the "digital divide," provide such families education and access to computers, the Internet and other technologies. These programs may assist families in learning to e-file their taxes.



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

More Outreach Strategies and Examples
2009 Earned Income Tax Credit Estimator