

# Increase EITC Education Among Transition-Age Youth

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FRIDAY, FEBRUARY 23, 2018

10:00 TO 11:30 A.M.



**JOHN  
BURTON**  
Advocates for Youth

# Information to Participate

- Call-in number is (631) 992-3221 ; access code is 590-480-586
- To submit live questions, click on the “Questions” panel, type your question, and click “Send”
- Presentation materials and audio will be posted at [www.jbaforyouth.org](http://www.jbaforyouth.org)

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

# Today's Presenters

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Amy Lemley, John Burton Advocates for Youth

Moneshia Campus, California Department of Community Services and Development (CSD)

Adam Gosney, California Department of Community Services and Development (CSD)

Katherine Nicholas, California Department of Social Services

# Why Are We talking About The Earned Income Tax Credit and TAY?

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1,576,705 18 to 24 year-olds enrolled in college in California



1,000 parenting non-minor dependents in California's foster care system



19,900 children and youth in foster care placed with relatives

# Agenda

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Importance of Filing Taxes

Overview of the State and Federal Earned Income Tax Credit

- Data of its impact and amount unclaimed in California

- State and Federal eligibility and credit levels

Issues Commonly Faced by Transition-Age Youth

How to Apply for the EITC

- Live demonstration of website

- Information about VITA

Strategies to Integrate EITC Outreach

Q&A

# CSD's Programs

Community Service  
Block Grant

Utility Assistance

Weatherization

Renewable Energy



<http://www.csd.ca.gov/Services/FindServicesinYourArea.aspx>

# Importance of Filing Taxes

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- Youth may receive a refund even if they do not qualify for the EITC
- Utilizing a Volunteer Income Tax Assistance site
- Builds financial literacy skills
- Can help develop independence and self-sufficiency
- Goal setting
- Develop executive functioning skills
- Can serve as a motivator

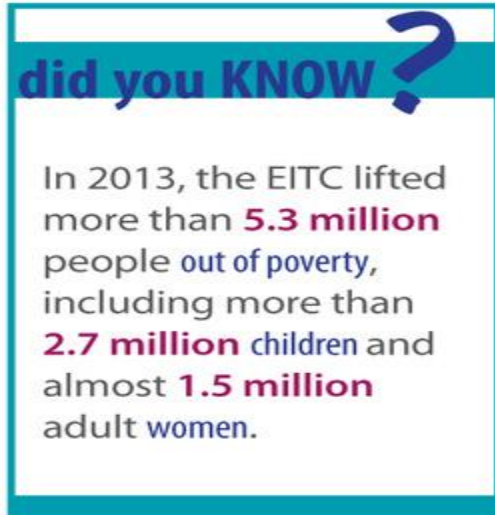
# The Earned Income Tax Credit

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# EITC Background - Federal



**Federal EITC:** Refundable cashback tax credit for low-to-moderate income working individuals and families earning \$53,267 per year or less. EITC reduces tax liability and then issues any unused credits as a cashback refund when a tax return is filed.

# EITC Background - State



| Number of Qualifying Children | CA Maximum Income | Cal EITC (up to) | IRS EITC (up to) |
|-------------------------------|-------------------|------------------|------------------|
| None                          | \$15,008          | \$223            | \$510            |
| 1                             | \$22,322          | \$1,495          | \$3,400          |
| 2                             | \$22,309          | \$2,467          | \$5,616          |
| 3 or more                     | \$22,302          | \$2,775          | \$6,318          |

 **FOR THE LATEST INFORMATION AND RESOURCES ON EITC, VISIT [CALEITC4ME.ORG](http://CALEITC4ME.ORG)**

Text **MONEY** to (760) 970-8395 to find out how much EITC money you could get back! *Message & Data Rates Apply*

**IT'S YOUR MONEY GET IT!**

**State EITC:** First enacted in 2015 as the states first-ever California Earned Income Tax Credit (Cal EITC) to help working individuals and families earning less than \$22,300. A tax return must be filed to claim the credit.

# Health Benefits of Claiming EITC

\$12,500 a year buys a year of life

EITC can provide up to 30 percent of family's annual income

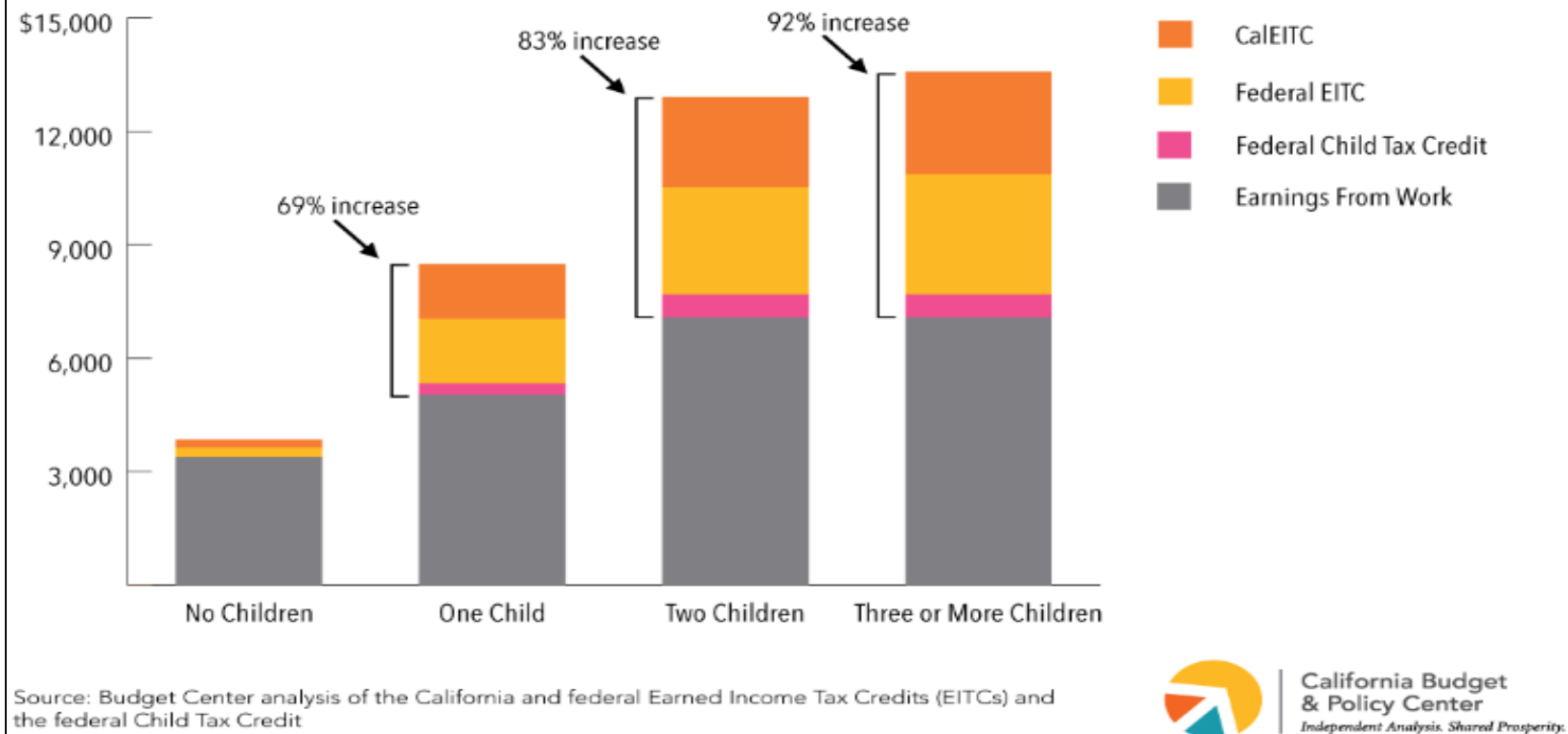
All we ask is they claim the credit, which in itself is a challenge.

| County         | Returns Unclaimed | Unclaimed Payments |
|----------------|-------------------|--------------------|
| Alameda        | 32,993            | \$48,999,000       |
| Amador         | 723               | \$1,018,750        |
| Butte          | 5,973             | \$9,261,000        |
| Contra Costa   | 19,917            | \$30,474,750       |
| Imperial       | 10,467            | \$19,936,500       |
| Kern           | 29,577            | \$58,345,000       |
| Kings          | 4,857             | \$9,223,750        |
| Lake           | 1,960             | \$3,216,750        |
| Los Angeles    | 328,213           | \$566,019,750      |
| Madera         | 4,820             | \$9,292,500        |
| Marin          | 3,207             | \$3,784,500        |
| Mendocino      | 2,670             | \$4,072,750        |
| Merced         | 9,460             | \$17,835,750       |
| Monterey       | 12,220            | \$21,666,750       |
| Nevada         | 2,280             | \$2,970,500        |
| Orange         | 70,997            | \$112,939,250      |
| Riverside      | 71,643            | \$135,547,000      |
| Sacramento     | 42,493            | \$73,423,500       |
| San Benito     | 1,517             | \$2,518,750        |
| San Bernardino | 74,220            | \$143,844,500      |
| San Joaquin    | 22,197            | \$39,772,000       |
| San Mateo      | 10,780            | \$14,484,250       |
| Santa Clara    | 31,763            | \$45,574,250       |
| Santa Cruz     | 6,263             | \$9,230,000        |
| Shasta         | 5,110             | \$7,982,500        |
| Siskiyou       | 1,327             | \$2,011,250        |
| Sonoma         | 9,490             | \$12,837,000       |
| Tehama         | 1,843             | \$3,061,750        |
| Tulare         | 18,353            | \$36,656,500       |
| Tuolumne       | 1,273             | \$1,826,250        |
| Yolo           | 4,383             | \$6,835,750        |
| Total          | 842,989           | \$1,454,662,500    |

# EITC Background – Federal and State

## The CalEITC, Together With Federal Credits, Significantly Boosts the Incomes of Working Families With Children

Increase in Income From Tax Credits for Workers Qualifying for the Maximum CalEITC, 2016



California EITC significantly benefits those in deepest poverty.

# Cal EITC – Economic Impact

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- **The 196.1 million California EITC dollars claimed in 2016:**
  - Generated a total economic impact of \$247.1 million in business sales (output).
  - Supported 1,595 jobs.
  - Created more than \$86.4 million in labor income.
  - Generated \$15.4 million in tax revenue (36 percent of this amount comes from sales taxes).
  
- **Sacramento County claimed \$10.2 million, which:**
  - Generated a total economic impact of \$12.9 million in business sales.
  - Supported more than 84 jobs.
  - Created more than \$4.5 million in labor income.

# Characteristics Associated with High Rates of Unclaimed EITC Funds

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**□ The IRS has identified that the proportion of those failing to claim the Federal EITC credit is higher:**

- (1)** In areas with high concentration of Hispanics;
- (2)** Among individuals with lower incomes than eligible individuals who filed a tax return to get the Federal EITC;
- (3)** Among individuals who participated in food stamp assistance programs; and
- (4)** Among those with no qualifying children.

**□ The average proportion of individuals not claiming the Federal EITC credit is 25 percent.**

- In counties where the demographic profile indicates a prevalence of these factors, the actual non-filer rate is likely to be higher than the assumed 25 percent.

# Federal EITC – Foregone Economic Impact

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❑ In 2015, near 1.1 million Californians *left on the table* \$1.9 billion in Federal EITC payments (\$1.6 billion in 2006):

❑ 69.2 percent higher than the \$1.1 billion left in unclaimed in 2006 by 800,000 Californians.

❑ The foregone economic impact of the unclaimed dollars:

❑ Totals over \$2.3 billion in business sales losses.

❑ Over 14,500 additional jobs not generated or supported.

❑ More than \$800 million in wages or labor income lost.

❑ More than \$150 million in tax revenue losses for state, county and city governments.

❑ Sacramento County *left on the table* \$80.2 million, which implied a foregone economic impact of:

❑ Over \$95.3 billion in business sales losses.

❑ Over 611 additional jobs not generated or supported.

❑ More than \$33.5 million in wages or labor income lost.

# CalEITC4Me Resources

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<http://caleitc4me.org/>

Eligibility Calculator

Interactive Heat Map

Tax Prep Finder Tool

Q & A

Partner Toolkits/Community Snapshots





# CalEITC4Me Resources Cont.

Eligibility

Calculator

## Are You Eligible?

Finding out if you are eligible and how much your EITC credit could be is easier than ever. Just fill out the information below and click "Estimate my EITC Amount".

Language English

### 1 About You:

|  |                                       |   |
|--|---------------------------------------|---|
| What is your Filing Status?                                | <input type="text" value="Single"/>   | ? |
| How many qualifying children do you have?                  | <input type="text" value="2"/>        | ? |
| How much did you earn from your California job(s) in 2016? | \$ <input type="text" value="12512"/> | ? |
| How much other earned income did you make in 2016?         | \$ <input type="text" value="0"/>     | ? |

### 2 Select All that Apply :

- Are a U.S. citizen or resident alien, and have a valid Social Security Number
- During 2016, lived in the U.S. more than 6 months
  - Also lived in California more than 6 months in 2016
- Are at least 25 years old, but under 65
- Cannot be claimed as a dependent on someone else's tax return
- Did not have investment income greater than \$3,400 in 2016

### 3 Estimate:



|                 |                |
|-----------------|----------------|
| California EITC | <b>\$556</b>   |
| Federal EITC    | <b>\$5,010</b> |

# CalEITC4Me Resources Cont.

## Interactive Heat Map

### CalEITC4Me Interactive Heat Map

**1** Choose your search criteria

Geographies  OR Enter a city, zipcode, or address

Layers

Show Sites

**2** Click on an area of the map to see EITC statistics

**3** Scroll down for detailed statistics

**FEDERAL EITC RETURNS ZIP CODES**

0%  56%

POWERED BY CARTODB

© OpenStreetMap contributors © CartoDB, CartoDB attribution, © OpenStreetMap contributors © CartoDB

# CalEITC4Me Resources Cont.

## Tax Prep Finder Tool



### Get It

To get your cash back tax credit, you must file your tax returns. If you are eligible for the Earned Income Tax Credit or made \$54,000 or less in 2015, you can get your tax returns filed for free.

### Free Tax Prep Finder

Enter your city, ZIP code or address below to find free tax prep locations near you. Once you find a convenient location, give them a call to set up an appointment or ask questions.

### HELPFUL MATERIALS

Check out our range of printable materials to help you understand the EITC to get the most money back this tax season.

[View materials >](#)

Enter a city, zipcode, or address to search.

Search  Select Language  Accepts Appointments?

A map of California with numerous blue dots representing tax prep locations. Major cities are labeled: SACRAMENTO, SAN FRANCISCO, SAN JOSE, FRESNO, BAKERSFIELD, LOS ANGELES, LONG BEACH, RIVERSIDE, RENO, NEVADA, CALIFORNIA, LAS VEGAS, SALT LAKE CITY, UTAH, ARIZONA, and PHOENIX. The map includes a zoom-in (+) and zoom-out (-) control in the top left corner. At the bottom, it credits 'CARTODB' and lists 'OpenStreetMap contributors', 'CartoDB', and 'CartoDB attribution'.

# CalEITC4Me Resources Cont.

## Questions about EITC

### Top Questions About the Earned Income Tax Credit

Am I eligible for the California Earned Income Tax Credit (CalEITC)?

If I am eligible for the CalEITC, will I qualify for the federal EITC?

How much could I get back?

When can I claim them?

I work two jobs as a 1099 employee—does that count?

If I have both 1099 and W-2 income, am I still eligible?

Will my benefits (such as CalWorks, CalFresh, or disability) count as income? Will claiming EITC count as reportable income when I apply or renew benefits?

If I'm not required to file my tax returns because I am under the income threshold, do I need to file now to get the EITC?

If I am DACA protected, am I eligible for the EITC?

If I am a student and my parents claim me, am I eligible for the EITC?

I am a senior and meet the income threshold, do I qualify for the EITC?

Will I still qualify for this credit if I have any prior convictions on my record?

Should I file for the credit even if I have not filed my tax returns for many years and likely owe back taxes?

I applied to get the federal credit last year and was not eligible. How will I know if I am eligible now?

What documents do I need to file?

How can I protect myself from fraud or paying more than I should when filing my tax returns?

How do I find out if I'm eligible for free tax preparation and help?

How can I find a free tax preparation location near me?

# CalEITC4Me Resources Cont.

## Helpful Materials

Check out our range of printable materials to help you understand the Earned Income Tax Credit, so you and your family can get the most money back in your pocket this tax season.

|  |
|--|
| <a href="#">Fact Sheets</a>            |
| <a href="#">Partner Toolkits</a>       |
| <a href="#">Videos</a>                 |
| <a href="#">2015 Helpful Materials</a> |

## Fact Sheets

What is the EITC? Are you eligible? How do you get it? Check out our collection of fact sheets to help you get the answers to these questions and more!



Are You Eligible for the CalEITC Cash Back Refund?

Download Now!



Get Your EITC Cash Back Refund For Free!

Download Now!



Make the Most Out of Your EITC Cash Back Refund

Download Now!

# Volunteer Income Tax Assistance

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In 2013, 53% of those claiming EITC used a paid preparer

VITA sites can be used by individuals who are not claiming EITC

Average tax preparation fee is \$292

Free tax prep with returns for individuals making less than \$54,000 a year.

To find a site near you visit [CalEITC4Me.org](http://CalEITC4Me.org) and use the Free Tax Prep Finder Tool, or call the IRS at 1-800-906-9887





## Get It

To get your cash back tax credit, you must file your tax returns. If you are eligible for the Earned Income Tax Credit or made \$54,000 or less in 2016, you can get your tax returns filed for free.

## Free Tax Prep Finder

Enter your city, ZIP code or address below to find free tax prep locations near you. Once you find a convenient location, give them a call to set up an appointment or ask questions.

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[View materials >](#)

Enter a city, zipcode, or address to search.

95811 English Accepts Appointments?

**WANT TO SAVE YOUR LOCATIONS?**  
Get your Free Tax Preparation locations sent to your inbox. [EMAIL MY RESULTS](#)

A map of the Sacramento, California area. The city of Sacramento is labeled in the center. Surrounding areas like Rio Linda, Citrus Heights, and Gold River are also labeled. Numerous blue location pins are scattered across the map, indicating free tax preparation locations. A zoom control with '+' and '-' buttons is visible in the top left corner of the map area. The map is credited to OpenStreetMap contributors and CARTO.

This map is updated on a weekly basis and uses self-reported information.

# How Can You Help?

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EITC decreases poverty = increased Health

Trusted community- based Messengers are the key to informing young people about the advantages of filing taxes.

- File taxes for free at a VITA site
- Claim the EITC when they file



# EITC “Referrals”

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Receipt of *Are You Eligible for the CalEITC Cash Back Refund*

Received information on *Free Tax Prep Finder*

Tracking the referral

- Did participant claim EITC?
- How much did they get back from federal and Cal EITC?
- How did participants spend their refund?

# Tracking the Referral – Initial Entry

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Via the *Referral* TouchPoint in ETO

Reason for Referral – “Financial Assistance or Benefits”

Service provider name – “EITC”

Referral

BIH Staff Name \*  
BIHStaff Fake View Entity

Reason for referral \*  
Financial assistance or benefits

Date of referral \*  
2/9/2017

Who is this referral for? \*  
Participant

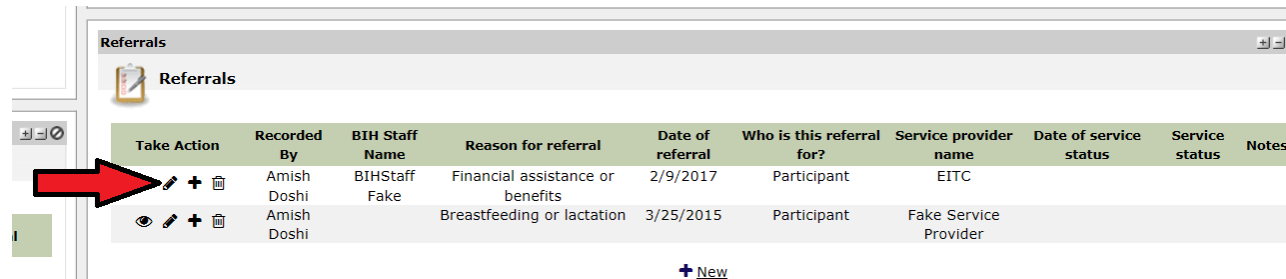
**If referral is for Earned Income Tax Credit (EITC), select "EITC" from service provider list.**








Service provider name \*  
EITC View Entity

# Tracking the Referral – Updating Status

**Follow-up process** → As with any referral, once made, follow-up at every subsequent Life Planning Meeting and update fields for both “Date of Service Status” and “Service Status”.

Access the referral from the participant dashboard:



| Take Action   | Recorded By | BIH Staff Name | Reason for referral              | Date of referral | Who is this referral for? | Service provider name | Date of service status | Service status | Notes |
|---|-------------|----------------|----------------------------------|------------------|---------------------------|-----------------------|------------------------|----------------|-------|
|      | Amish Doshi | BIHStaff Fake  | Financial assistance or benefits | 2/9/2017         | Participant               | EITC                  |                        |                |       |
|     | Amish Doshi |                | Breastfeeding or lactation       | 3/25/2015        | Participant               | Fake Service Provider |                        |                |       |

[+ New](#)

If participant is determined ineligible, mark service status as “Not eligible for service”

If participant has applied for the refund, mark service status as “Service completed”

- Additional questions will appear asking about Federal and California refund amount → when participant has that information (at a later date), enter it into the touchpoint.

# Tracking the Referral – Updating Status

Reason for referral \*

Financial assistance or benefits

Date of referral \*

1/11/2017

Who is this referral for? \*

Participant

**If referral is for Earned Income Tax Credit (EITC), select "EITC" from service provider list.**

Service provider name \*

EITC [View Entity](#)

Date of service status \*

2/6/2017

Service status \*

Service completed

EITC Federal Refund

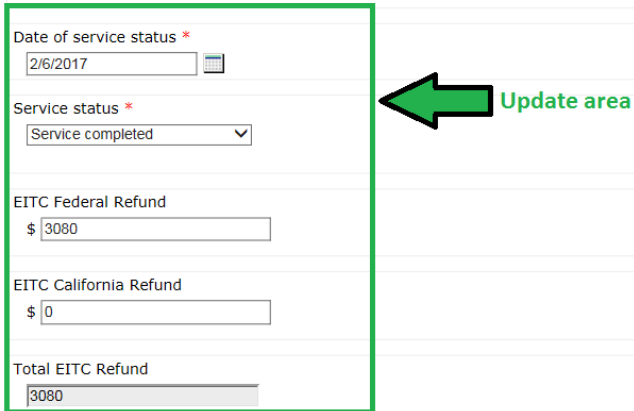
\$ 3080

EITC California Refund

\$ 0

Total EITC Refund

3080



# The BIH EITC Challenge

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Target (Screening Period: **February 13 – April 8**)

- Screen 80% of currently active women for EITC
- Follow-up on all referred women to determine whether they were:
  - Eligible
  - Applied for EITC
  - How much total refund was received and how it was connected to Life Planning.
  - “My Story”

# Issues Commonly Faced by Transition-Age Youth

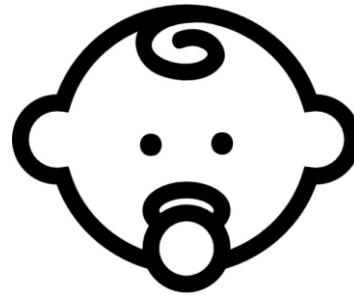
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How Foster  
Care  
Benefits  
Are  
Treated



Difficulty  
Getting W-2s  
Due to  
Placement  
Changes &  
Moves



Issues  
Related to  
Being a  
Young  
Parent



Confusion  
about  
Filing  
Status



How  
Financial  
Aid is  
Treated

# Issue 1: How Foster Care Benefits Are Treated

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Foster care benefit is not treated as income for the purposes of state and federal income tax

This includes:

- Supervised Independent Living (SILP) payment
- Infant Supplement
- THP+Foster Care



# Issue 2: Difficulty Getting W-2s Due to Placement Changes or Moves

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**Contact your employer**

Youth should have gotten W-2 by January 31.

Ask employer to re-send W-2 to new address



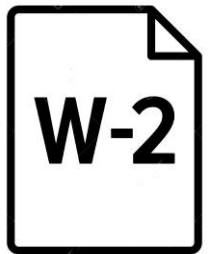
**Contact the IRS**

Contact the IRS for assistance at 800-829-1040



**File your return**

File using estimating income and withholding taxes as accurately as possible.





# Issue 3: Confusion about Filing Status

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## **Single Filing Status**

- Unmarried on the last day of the year

## **Head of Household Filing Status**

- Single
- Been taking care of a dependent for more than six months
- Higher standard deduction
- Lower tax rates

## **Qualifying Widow/Widower With Dependent Child Filing Status**

## **Married Filing Separately**

## **Married Filing Jointly Filing Status**

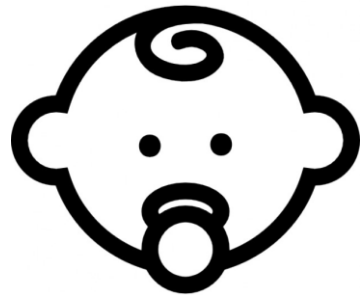


# Issue 4: Issues Related to Being a Young Parent

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Custodial parent claims all the child-related tax benefits for a child, including the EITC; it is not split.

IRS has special rule that allows the noncustodial parent may claim the dependency exemption for a child if the custodial parent releases the exemption



# Issue 5: How Financial Aid is Treated

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## Taxable

- Income earned through work-study
- Grant or scholarship above the amount paid on “qualified educational expense”
- Any other earned income

## Non-Taxable

- Any grant, provided it is used only for a “qualified educational expense”
- Any government student loans



# Issue 5: How Financial Aid is Treated

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- All students who paid a "qualified educational expenses" will be sent the Form 1098-T

## Qualified educational expense

- Tuition,
- Fees that are required for enrollment
- Course materials the student was required to buy from the school
- Student activity fees you are required to pay to enroll or attend the school

## NOT a qualified educational expense

- Room and board
- Insurance
- Medical expenses (including student health fees)
- Transportation
- Personal, living or family expense

*EITC is counted as family income in determining financial aid eligibility*



# EITC Outreach for TAY

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## ○ Independent Living Programs

- Curriculum can include lessons/workshops on how to file taxes
  - Experiential workshop can be held at a VITA site
  - Include financial literacy/tax preparation on the Transitional Independent Living Plan (TILP)
    - #8 on Enclosure B of the TILP is “*ILP Money Management*”
      - Includes accessing information about taxes and filling out tax forms
- ILP Coordinators can share messaging with ILP social workers
  - Email blasts about upcoming VITA/EITC events
  - Make resources available at ILP offices

# Outreach (cont.)

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## ○ Transitional Housing

- Transitional Housing Coordinators
  - Share messaging with Transitional Housing Programs in the counties
- Transitional Housing Programs
  - Offer workshops on site for filing taxes and EITC
  - Host a VITA event at a local transitional housing facility
  - Have EITC resources at the housing facility
    - Have a staff trained in how to help TAY file for the EITC/file taxes

# Outreach (cont.)

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- Parenting programs for foster youth
  - Identify a coordinator or point person for programs for pregnant and parenting youth
    - Incorporate information and resources into parenting programs when discussing financial literacy and budgeting
    - Coordinate with home visiting programs to bring outreach literature on their visits

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# Questions





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**Thank You!**

