



## ***“TOOLS FOR SUCCESS” WEBINAR SERIES FOR ASSETS FOR INDEPENDENCE GRANTEES***

### **Tax Time Savings with the EITC**

January 30, 2014



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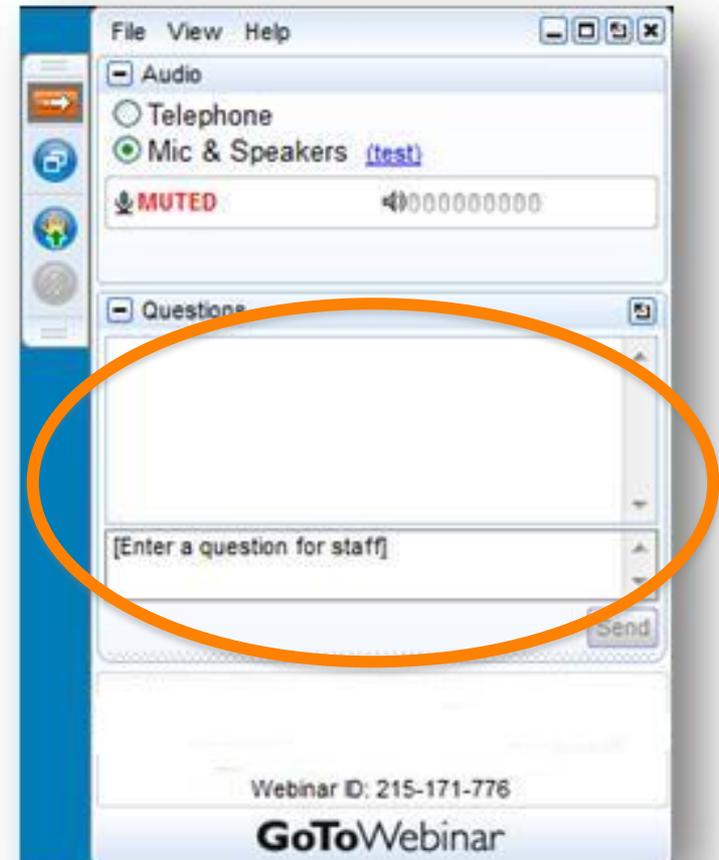
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# Housekeeping

- This webinar is being recorded.
- A transcript and link to the recording will be available a week or two after the webinar.
- The webinar will last for 1 hour.
- **Having technical difficulties? Contact [tmurphy@cfed.org](mailto:tmurphy@cfed.org)**

# Housekeeping

- All webinar attendees are muted to ensure sound quality.
- Use the question box in your webinar Control Panel to ask questions at any time.



# Not an AFI grantee yet?

- Assets for Independence (AFI), which is administered through the Office of Community Services (OCS) at the U.S. Department of Health and Human Services, provides federal funding to community-based nonprofits and government agencies for Individual Development Accounts (IDAs).
- To learn more about applying, visit [www.idaresources.acf.hhs.gov](http://www.idaresources.acf.hhs.gov)
- Upcoming Orientation Session:

## **Planning an AFI Project**

Tuesday, February 18, 2014. 2:00 PM - 3:00 PM EST

Register at [www.idaresources.acf.hhs.gov](http://www.idaresources.acf.hhs.gov)

# Your Guest Speakers

## **Carol Atwater**

Director, Community Planning  
and Investment

United Way of Forsyth County, Inc.



## **Barbara Johnson**

IDA Program Manager

Experiment in Self Reliance, Inc.



# Your Moderator

**Dominique Derbigny**

AFI Resource Center



The AFI Resource Center provides training and technical assistance to AFI grantees, their project partners, and other organizations that are providing asset building services across the nation.

# Objectives of the Session

- Review what the EITC is and how to access it
- Hear from AFI grantees that have successfully partnered with VITA programs to encourage tax time saving
- Discuss strategies for:
  - Communicating with IDA participants about EITC
  - Collaborating with VITA programs

# What is the EITC?

- The Earned Income Tax Credit (EITC) is one of the nation's largest antipoverty programs.
- The EITC fights poverty by:
  - Supplementing the wages of low-income earners
  - Promoting work
- Key Features:
  - Reduces taxes workers may owe
  - Even if workers don't owe taxes, they may be eligible

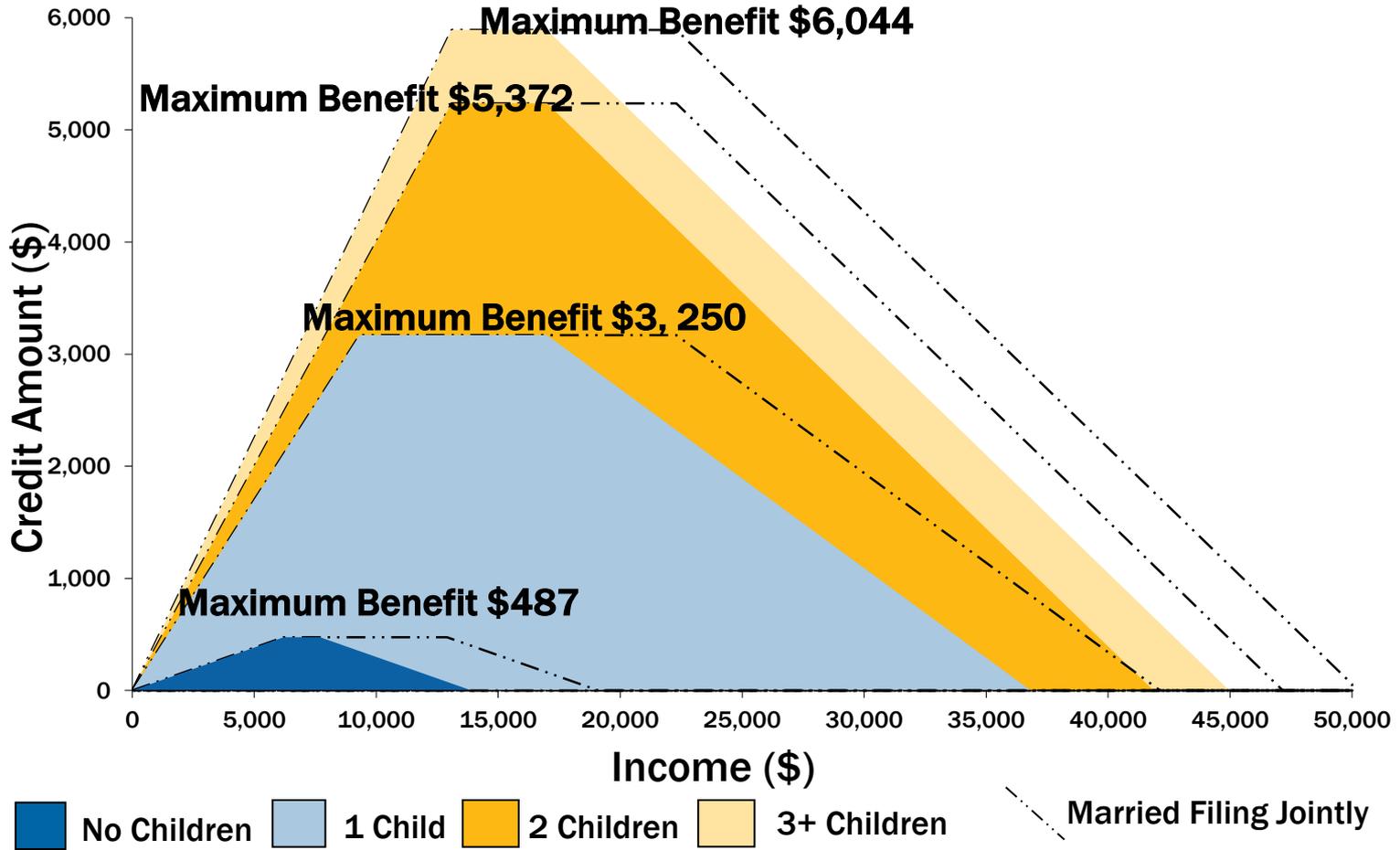
# Additional Tax Credits

- Child Tax Credit
- Child and Dependent Care Credit
- State EICs
- American Opportunity Credit

# EITC Eligibility requirements

Number of children	Income limit	Income limit (married filing jointly)	Maximum EITC reward
0*	\$14,340	\$19,680	\$487
1	\$37,870	\$43,210	\$3,250
2	\$43,038	\$48,378	\$5,372
3+	\$46,227	\$51,567	\$6,044

*\*If filing single with no dependents, must be age 25-64*



# FAQs about EITC

- What is considered earned income?
  - Wages, salaries and tips
  - Net earnings from self-employment
  - Union strike benefits
  - Certain disability benefits received before you reach minimum retirement age
- Does the EITC impact public benefits?
  - No federal tax refund counts as income for any public benefit program with federal funding
  - Savings contributions from tax refunds will be excluded from determining benefits eligibility for 12 months after the refund is received (tax years 2010-2012)

## Volunteer Income Tax Assistance (VITA)

- Free tax filing assistance for low-to moderate-income filers (earning roughly \$52,000 and below)
- Staffed by IRS-certified volunteer tax preparers
- Over 12,000 VITA sites across the county
- Find a local VITA site by calling 1-800-906-9887 or visiting <http://irs.treasury.gov/freetaxprep/>

# Tax Time: A Teachable Moment

- Encourage participants to have taxes prepared at VITA sites - Why pay if you can get it for free?
- Educate participants about tax credits - More money in their pockets
- Promote savings at tax time - Save some of the refund for later

# United Way of Forsyth County

*Our United Way leads in uniting the Community to bring together resources to identify and effectively address our Community's most vital human needs.*



**United Way of Forsyth County**

# UWFC EITC/IDA Partnership

- IDA Working Group – 2001
  - 3 IDA grants
- Forsyth Working Family Partnership – 2005
  - Community collaborative
- Experiment in Self-Reliance (ESR)
  - Administrator, coordinator, fiscal agent
- Municipal Economic Opportunity Project (MEOP) – 2011
- Winston-Salem/Forsyth County Asset-Building Coalition (ABC)



United Way of Forsyth County

# EITC/VITA Asset-Building Partners

- Goodwill Industries
  - Job readiness, job search
- Financial Pathways to the Piedmont
  - Financial Education and Services
- Experiment in Self-Reliance (ESR)
  - IDA Homeownership/Education
- Family Services
  - Ways to Work
- Department of Social Services
  - WIC, SNAP, NCFast benefits



United Way of Forsyth County

# EITC/VITA Outreach

- Eleven VITA sites
- Prosperity Center
  - Goodwill Industries
  - Experiment in Self-Reliance
  - Financial Pathways of the Piedmont
- Mobile Prosperity Point –
  - Wells Fargo Financial Capability grant
  - Bethesda Center for the Homeless
  - FAFSA Day – 8 area high schools
  - National NADO Award for creative solutions to asset-building



# Experiment in Self Reliance

*ESR helps “working low-income” and “chronically homeless” individuals and families who are ready to help themselves achieve their full potential for functional, social, and economic self-reliance through the design and application of cost-effective, individualized “Client Success Plans.”*



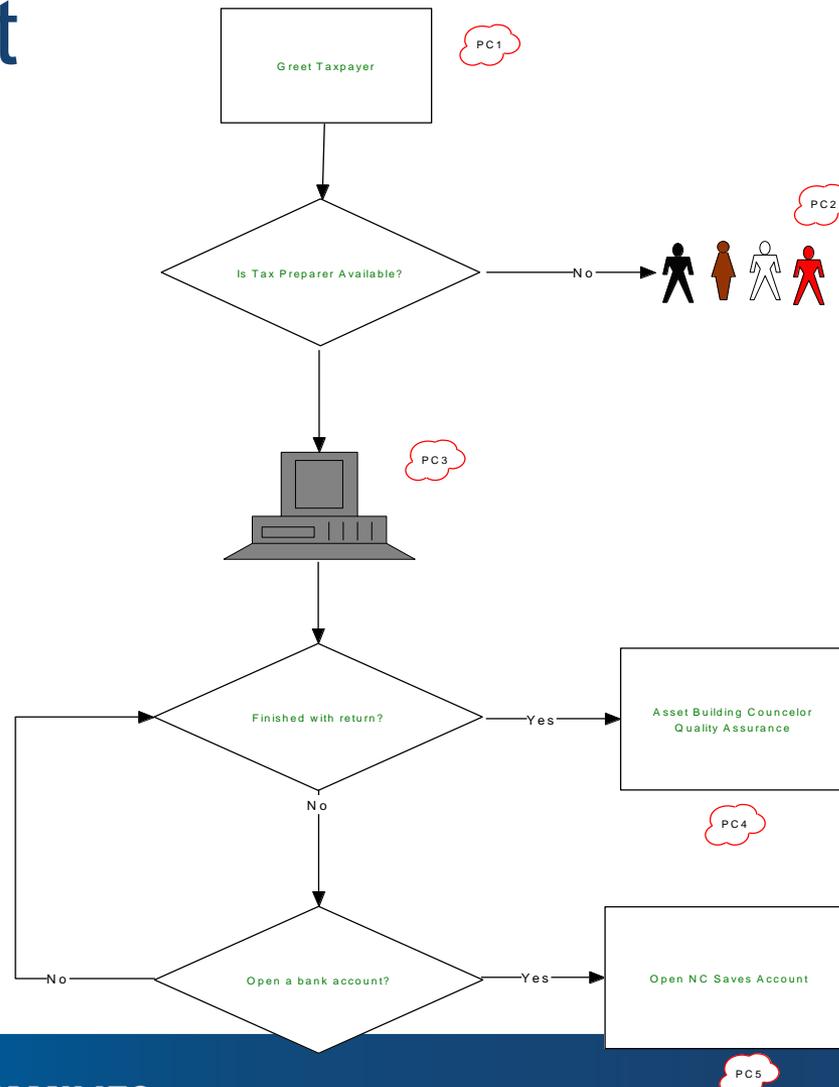
*empowering people to become self-reliant*

# Linking the EITC with IDAs

- One Stop Shop Methodology
- Asset Building Toolbox
- Asset Building Coaches
- Points of Contact
- Planting the Seed
- Data Collection



# Asset-Building Counselor Points of Contact



# Promoting the EITC and IDAs

When families are working, are successfully managing their budget, and have achieved a measure of financial stability, they have attained economic self-sufficiency.

The next stage for families is asset-building and wealth accumulation. This means making and claiming in taxes as much income as possible, saving money regularly, and acquiring an asset—the most obvious of which is homeownership.



# Promoting Tax Time Saving through Refund Splitting

- IRS Form 8888
- Able to deposit tax refunds in up to 3 different accounts
  - Checking and or savings account
  - Savings bond purchase
  - Paper check



# Resources

## EITC General Info

- IDA resources website

<http://idaresources.acf.hhs.gov/page?pageid=a047000000ApiTf>

- IRS

<http://www.irs.gov/Individuals/EITC-Home-Page--It%E2%80%99s-easier-than-ever-to-find-out-if-you-qualify-for-EITC>

## EITC Outreach Materials

- National EITC Outreach Campaign

<http://eitcoutreach.org/home/outreach-tools/>

- EITC Central

<http://www.eitc.irs.gov/>

# Resources

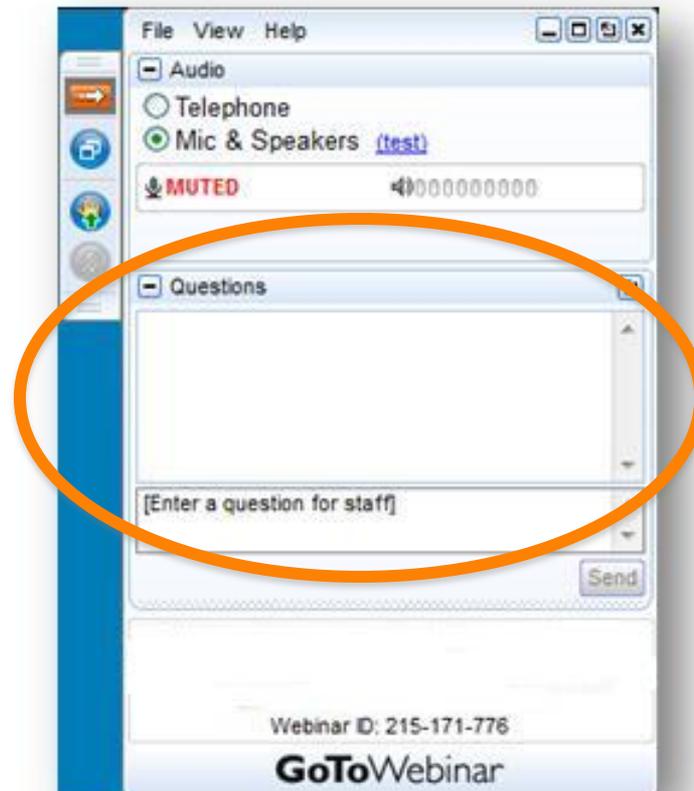
## Locate A Tax Site

- Treasury  
<http://irs.treasury.gov/freetaxprep/>
- National Community Tax Coalition  
[www.tax-coalition.org](http://www.tax-coalition.org)

## Tax Time Saving

- D2D Fund  
[http://www.d2dfund.org/tax\\_time\\_savings](http://www.d2dfund.org/tax_time_savings)

# Questions?



# Contact Information

For general questions about the AFI program,  
visit [www.idaresources.acf.hhs.gov](http://www.idaresources.acf.hhs.gov).

- **Dominique Derbigny**  
AFI Resource Center  
[dominique.derbigny@idaresources.org](mailto:dominique.derbigny@idaresources.org)
- **Carol Atwater**  
United Way of Forsyth County  
[Carol.Atwater@uwforsyth.org](mailto:Carol.Atwater@uwforsyth.org)
- **Barbara Johnson**  
Experiment in Self Reliance  
[barbara.johnson@eistr.org](mailto:barbara.johnson@eistr.org)

# Thank you!

## Assets for Independence Resource Center

- AFI Resource Center:
  - 1-866-778-6037
  - [info@idaresources.org](mailto:info@idaresources.org)
  - [www.idaresources.acf.hhs.gov](http://www.idaresources.acf.hhs.gov)
- AFI Program Website:
  - [www.acf.hhs.gov/assetbuilding](http://www.acf.hhs.gov/assetbuilding)