

Stimulus Benefits, Expanded Tax Credits, and Services Available to Meet the Needs of the Whole Family

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The COVID-19 pandemic has created new uncertainties for families. With the release of stimulus assistance from the American Rescue Plan (ARP) and other bills, however, families with low incomes are able to access new or expanded supports that may provide them with a chance at economic recovery, or new options for longer-term economic mobility. Human service program leaders and their staff can help families access these critical supports for which they are eligible and encourage families to file 2020 taxes or enroll in the Child Tax Credit program to receive available credits. Below are several important new opportunities for both parents and children with low incomes to begin to recover from the pandemic and become economically mobile.

Monthly Child Tax Credit

What should families know? The ARP created a new monthly child tax credit to provide major tax relief to nearly all working families. The law expands the current Child Tax Credit to \$3,600 per child under age 6 and \$3,000 per child aged 6-17. Starting July 15, 2021 and throughout the rest of the year, eligible families should expect monthly payments of \$300 for each young child (under 6) and \$250 for each older child (age 6-17). Individual Taxpayer Income Number (ITIN) holders, including immigrant families with children born in the US with a social security number, are eligible.

How do families get it? For families that filed their 2020 taxes, payments should go to them automatically. Families that didn't file can enroll in the program at ChildTaxCredit.gov. Families should start receiving monthly payments in July. The payment amount is based on the number of children claimed as dependents on a family's most recent tax return (2019 or 2020). To learn about other available tax credits that families may be eligible for, visit EITCOutreach.org.

Stimulus Checks

What should families know? The ARP provided stimulus checks of \$1,400 for each single adult and dependent child, and \$2,800 for each married couple that met the income threshold. Families with little or no earnings are eligible for these resources. For instance, a single mother who claims two children on her taxes should receive \$4,200 in stimulus aid. Payments will not be used to offset past-due child support or federal debt. These checks are in addition to the earlier \$1,200 and \$600 checks

provided by Congress in 2020. While these checks have already been issued, people who have not received one or more of them may still claim the aid.

How do families get it? More information about the \$1,400 stimulus checks can be found on the Internal Revenue Service's (IRS) [website here](#). Families can track the status of their aid payments using the IRS [Get My Payment tool](#). To claim the 2020 stimulus payments, families must file a 2020 tax return (even if they do not usually file, or are not required to file) and claim the [Recovery Rebate Credit](#). Payments will be included in their 2020 refund. If a family needs assistance with completing their taxes, they may be eligible for free services via the [Volunteer Income Tax Assistance \(VITA\) sites](#) in their area.

Child Care Expenses and Early Childhood Development

What should families know? The ARP expanded the Child and Dependent Care Credit, which refunds half the cost parents pay for child care (center-based care, babysitters, summer camp, or other types), while they are working or looking for work. If a family spends \$8,000 on a child's care expenses, the family can receive a \$4,000 credit. ITIN holders, including immigrant families with children born in the U.S with a social security number, are eligible to receive this credit.

The ARP also increased funding for child care programs: the Child Care and Development Fund (CCDF), which passes funding through states to families to help with the cost of child care, and Head Start programs, which provide comprehensive services to children and families. The law also provided states with more flexibility in making families eligible for CCDF funds.

How do families get it? Families should keep records of their child care expenses to report on their 2021 tax returns. Even those who do not owe taxes should file a return because the Child and Dependent Care Credit will be fully refundable, similar to the Earned Income Tax Credit. Families can check www.childcare.gov to find out if they are newly eligible for child care assistance through their state CCDF program, given the expansion in funding and eligibility for this program.

Families may be able to locate a Head Start program that is currently enrolling pregnant mothers, babies, toddlers and preschoolers, using the [Head Start Center locator](#) or by phone at 1-866-763-6481 (toll-free).

Pandemic Emergency Assistance Fund (PEAF)

What should families know? In June 2021, the U.S. Department of Health and Human Services released almost \$1 billion in aid as part of the Pandemic Emergency Assistance Fund (PEAF). This fund is designed to help families impacted by the COVID-19 pandemic and who are in-need. The aid may be given to families receiving Temporary Assistance for Needy Families (TANF) but may serve other

families, too. It can be used for short-term, non-recurring benefits, which could include one-time cash payments to help families pay back rent or cover added costs caused by the pandemic.

How do families get it? This aid is available to people living in all 50 states, the District of Columbia, and five U.S. territories, or who belong to tribes operating a Tribal TANF program. A family should refer to their [state or county human service office](#), which is responsible for distributing these funds between now and September 30, 2022.

Health Care

What should families know? More people than ever qualify for help paying for health coverage – this includes people who weren't eligible in the past. Changes made in the ARP also make health insurance more affordable for families. Families that are currently enrolled in health insurance through the Marketplace, may now qualify for additional tax credits.

How do families get it? Families can [enroll in health coverage here](#) or [change their health plan here](#) with the 2021 Special Enrollment Period through August 15, 2021.

Unemployment Benefits

What should families know? The ARP prevents the first \$10,200 in unemployment benefits received in 2020 from being taxed. If families are currently receiving unemployment benefits from their state, they may also be receiving a supplemental amount of \$300 per week from the federal government. This supplement is available until September 6, 2021. The ARP expanded who may receive that additional federal aid, adding categories of workers like people who are self-employed or are gig workers.

How do families get it? Families who received unemployment benefits in 2020 and already filed a 2020 tax return should file an amendment to receive any money owed to them.

Families eligible for the federal supplemental assistance and who are living in a state that participates in the program should be receiving it automatically. States that do not provide the supplemental federal assistance are listed [in a table here](#). Families who are not receiving Unemployment Insurance (UI) but may be eligible for it, can find information about eligibility and filing through their [state unemployment office](#).

Food and Nutrition

What should families know? The Supplemental Nutrition Assistance Program (SNAP) will provide additional aid to recipients through September 30, 2021. The 15% increase in the amount available gives a family of four about \$100 in additional food assistance each month. Additionally, Pandemic-Electronic Benefits Transfer (P-EBT) assistance, which replaces the free or reduced-price meals children

miss when they aren't attending school or child care in person, is extended through summer 2021. States may also choose to increase Women, Infants, and Children (WIC) benefits for four months to provide more fruits and vegetables to mothers and children.

How do families get it? Families who are already enrolled in SNAP and WIC do not need to do anything; all adjustments will be automatic. Families that are newly-eligible or would like to participate in the programs can enroll via their local [SNAP](#) or [WIC](#) office. The list of states participating in summer 2021 P-EBT is on the USDA's [website here](#).

Rental Assistance

What should families know? The eviction moratorium, extended by ARP, is set to expire on June 30, 2021. However, the ARP also allowed families to apply for renter's assistance if at least one person in the household meets any of these criteria: 1) qualifies for unemployment; 2) has had a decrease in income, or; 3) has experienced some kind of financial hardship because of the COVID-19 pandemic. Families can also qualify if they are at-risk of experiencing homelessness or if their household income is at or below 80% of the median income for the area.

How do families get it? Families who owe rent should contact their landlord about applying for assistance. Either a renter or a landlord can apply for assistance; once approved, the money is paid directly to the landlord or utility on the renter's behalf. Find more information in this [fact sheet](#) and on the [Consumer Financial Protection Bureau](#) website.

Additional transitional and permanent housing will be available for eligible families. Families should reach out to their local [Continuum of Care program](#) for more information accessing these housing options. They may also want to connect to their local housing authority, which can be identified at this [Public Housing Agency](#) site.

Energy and Water Assistance

What should families know? The government provides two main energy assistance programs for households with low incomes: the Low Income Household Water Assistance Program (LIHWAP), which assists with the cost of water and wastewater bills; and the Low Income Home Energy Assistance Program (LIHEAP), which helps with heating and cooling costs. Between funding provided in the ARP and other aid provided by Congress in December 2020, the LIHWAP and LIHEAP programs were given additional resources to support families with these household expenses.

How do families get it? Families should contact their local [Community Action Agency \(CAA\)](#) to see if energy-related emergency assistance funds are available

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