



## **Assisting Families With Access to Benefits, Expanded Tax Credits, and Supports Through the ARP Act**

The American Rescue Plan (ARP) Act provides many sources of direct and indirect financial relief for families with low incomes. This factsheet provides information for child care programs and partner organizations about different ARP Act financial sources and the steps that providers and families can take to access each source.

These payments and tax credits do not affect family income in determining eligibility for child care subsidies and do not count toward adjusted gross income for tax filers.

### **STIMULUS CHECKS**

#### ***What's New?***

Single adults earning up to \$75,000 and head-of-household filers (e.g., single parents with children) earning up to \$112,500 should have received a one-time payment of \$1,400, plus \$1,400 for each qualifying dependent. Married couples earning up to \$150,000 should have received a one-time payment of \$2,800, plus \$1,400 for each qualifying dependent. This round of payments included dependents who were included on the filer's tax return but who were excluded from previous stimulus payments—college students and adult dependents. For example, a single mother with two children claimed on her tax return should have received \$4,200.

#### ***What Can Providers and Families Do?***

Track the status of payments using the Internal Revenue Service's (IRS) [Get My Payment tool](#). If a family didn't get a first or second stimulus payment or got less than the full amount, they may be eligible to claim the [Recovery Rebate Credit](#) and must have filed a 2020 tax return even if they don't usually file a return. Payments should have been included in 2020 IRS refunds.

### **UNEMPLOYMENT BENEFITS**

#### ***What's New?***

The first \$10,200 of unemployment benefit payments received in 2020 are no longer taxable. For families currently receiving unemployment payments, there is a \$300 per week Federal increase in payments until September 6, 2021. The ARP Act also extends the special pandemic Unemployment Insurance (UI) program for people who do not usually qualify for UI (e.g., self-employed and gig workers) through September 6, 2021. Not all states have accepted the extension, however, so it is important to check on the status of your UI payment.

#### ***What Can Providers and Families Do?***

Families who received unemployment benefits in 2020 and already filed a 2020 tax return should file an amendment to receive the money they are owed. Families who are not receiving UI but may be eligible can find information about eligibility and filing through their [state unemployment office](#).

## **MONTHLY CHILD ALLOWANCE**

### ***What's New?***

The ARP Act created a monthly child allowance to replace the current Child Tax Credit (CTC). Beginning in July 2021, families who qualified for this year's CTC on their tax return will receive monthly payments of \$300 per child younger than age 6 and \$250 per child ages 6–17. This 1-year program will end on December 31, 2021. Individual Taxpayer Income Number (ITIN) holders, including immigrant families with children who have Social Security numbers, are eligible to receive this credit. The IRS has launched a [simplified online tool](#) that will allow families not automatically enrolled in the program to receive the CTC.

### ***What Can Providers and Families Do?***

Families should start receiving monthly payments in July 2021. The payment amount is based on the number of children claimed as dependents on a family's most recent tax return (i.e., 2019 or 2020). To ensure that they receive the monthly payments starting in July 2021, families should file a 2020 tax return as soon as possible. Families will retroactively claim this allowance from January to June 2021 on next year's tax returns. For more information, visit [ChildTaxCredit.gov](https://www.irs.gov/childtaxcredit).

## **CHILD CARE EXPENSES**

### ***What's New?***

The ARP Act expands the size of the Child and Dependent Care Credit. Families are eligible for this tax credit if they needed care for any child younger than age 13 or for a disabled dependent of any age while working or looking for work. This benefit includes any amount paid (full or co-pay) for center-based child care, babysitter care, summer camp, or care by adult relatives outside the tax household. ITIN holders, including families who are immigrants with children born in the United States with a Social Security number, are eligible to receive this credit.

### ***What Can Providers and Families Do?***

Families should keep records of their child care expenses to report on next year's tax return. Even those who do not owe taxes should file because the credit will be fully refundable and could result in a refund.

## **FOOD AND NUTRITION**

### ***What's New?***

The ARP Act extends the current 15-percent Supplemental Nutrition Assistance Program (SNAP) increase until September 30, 2021. States can choose to increase Women, Infants, and Children (WIC) benefits for 4 months, specifically to provide more fruits and vegetables to mothers and children. Through at least the summer, Pandemic–Electronic Benefits Transfer (P-EBT) assistance is extended. Like SNAP benefits, P-EBT can be used to replace the free or reduced-price meals that children miss when they do not attend a school or child care program in person.

### ***What Can Providers and Families Do?***

Families who are already enrolled in SNAP and WIC do not need to do anything. Most changes keep benefits at their current levels, and any adjustments will be automatic. Newly eligible families can enroll via their local [SNAP](#) or [WIC](#) office. Participating states will issue their own P-EBT guidance for summer 2021.

## RENTAL ASSISTANCE

### *What's New?*

The ARP Act extends the eviction moratorium and makes more funding available for more people with overdue rent. Families are now eligible for renter's assistance if at least one person in the household meets any of these criteria:

- Qualifies for unemployment
- Has had a decrease in income
- Has experienced some kind of financial hardship because of the coronavirus disease 2019 (COVID-19) pandemic.

Families can also qualify if they are at risk of experiencing homeless or if household income is at or below 80 percent of the median income for the area in which they live.

### *What Can Providers and Families Do?*

Families who owe rent should contact their landlord about applying for assistance. A renter or landlord can apply for assistance, and the money is paid directly to the landlord or utility on the renter's behalf. Find more information in [this factsheet](#) and on the [Consumer Financial Protection Bureau](#) website. In addition, as of April 1, 2021, there is a temporary Centers for Disease Control and Prevention (CDC) [eviction protection declaration](#). This is a temporary halt in residential evictions to help prevent the further spread of COVID-19.

Emergency housing vouchers are also available for eligible families. Local public housing authorities and continuum of care programs will be distributing these vouchers. If your child care program doesn't have existing partnerships with your local housing authority, state-level information is available from the [U.S. Department of Housing and Urban Development](#). You can also connect with [continuum of care programs](#) in your state to obtain more information on how you can help families access these resources.

## ENERGY AND WATER ASSISTANCE

### *What's New?*

The ARP Act makes additional funds available for energy assistance.

### *What Can Providers and Families Do?*

Reach out to the local [community action agency](#) to find out whether energy-related emergency assistance funds are available.

## TAX HELP

To learn more about helping families understand and access available tax credits, please contact [EITCOutreach.org](#). In addition, free tax preparation services may be available for eligible families at [Volunteer Income Tax Assistance](#) sites in your area.

### **Questions**

To get answers to your questions and/or to learn more information, please contact the National Center on Parent, Family, and Community Engagement at [pfce@ecetta.info](mailto:pfce@ecetta.info) or (855) 208-0909 (toll-free).