

**County of San Diego, Health and Human Services Agency (HHS) Agency (HHS)
CalWORKs/CalFresh/Medi-Cal/General Relief/Cash Assistance Program for
Immigrants/County Medical Services Program Guide Special Notice**

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Issue Date:

January 21, 2021

Background:

San Diego County’s Earned Income Tax Credit (EITC) campaign continues to provide services annually. These materials are provided to supplement EITC outreach efforts and are revised to reflect changes each tax year.

Purpose:

The purpose of this Special Notice is to provide revised federal EITC and California EITC (CalEITC) income limits and eligibility impact on self-sufficiency programs. This material has also been updated to include expansion of the CalEITC eligibility as a result of Assembly Bill (AB) 1876 which removes the requirement to have a child under the age of six by the end of the year and expands CalEITC to include undocumented tax filers.

Policy:

Age and General EITC Eligibility

California tax filers may qualify for either federal or state EITC, or both depending on their income, age, and number of children.

Federal EITC Eligibility:

- Federal EITC is available for tax filers ages 25 to 65. The age limit does not apply if the tax filer has a qualifying child
- Must have earned income and adjusted gross income within certain limits, but must be at least \$1
- Must meet certain basic rules (for example, have a Social Security Number (SSN) and not filing as married filing separately etc.)
- Must meet qualifying child rules if any dependent children claimed
- Must live in the United States for more than half the tax year
- Claiming the federal EITC requires the Schedule EIC form available on the EITC webpage

CalEITC Eligibility:

- CalEITC is available to qualified tax filers ages 18 to 65 with or without children and (effective the 2020 tax year) qualified tax filers under 18 with qualifying children
- Effective for the 2020 tax year, undocumented individuals with an Individual Tax Identification Number (ITIN), who are otherwise income eligible, may qualify for the CalEITC and no longer must have a child under the age of 6 to qualify
- Must have earned income and adjusted gross income within certain limits, but must be at least \$1
- Must meet certain basic rules (for example, have a social security number or ITIN, not filing as married filing separately, etc.)
- Must meet qualifying child rules if any dependent children claimed
- Must live in California for more than half the tax year
- Claiming the CalEITC requires the FTB 3514 form available on the CalEITC website

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Federal and State EITC Maximum Income Limits for Tax Year 2020

Table 1 - Federal EITC Maximum Income and Credit Limits for 2020 Tax Year:

Number of Qualifying Children	Federal EITC Income Limits		Federal EITC Credit Limits
	Single, Head of Household or Widowed	Married Filing Jointly	
None	\$15,820	\$21,710	\$538
1	\$41,756	\$47,646	\$3,584
2	\$47,440	\$53,330	\$5,920
3 or more	\$50,954	\$56,844	\$6,660

Table 2 - California EITC Maximum Income and Credits for 2020 Tax Year:

Number of Qualifying Children	State EITC Income Limits	State EITC Credit Limits
None	\$30,000	\$243
1	\$30,000	\$1,626
2	\$30,000	\$2,691
3 or more	\$30,000	\$3,027

Child Tax Credit and Young Child Tax Credit (YCTC)

The federal Child Tax Credit is \$2,000 per qualifying child. To be eligible, families must have at least one child under the age of 17 at the end of the tax year and must file a federal tax return.

The YCTC is up to \$1,000 per family. Families must have at least one child under 6 years old at the end of the tax year and must file a California state tax return.

Procedure:

Free Tax Preparation Services

Free tax preparation services are available for low to moderate income individuals. Customers can call 2-1-1 for more information. Customers can also log on to:

- <http://www.211sandiego.org>
- <http://www.myfreetaxes.org>
United Way online offers free state and federal tax preparation, and filing services, for households with earnings less than \$66,000
- <http://www.getyourrefund.org>
For the 2020 tax year, United Way has partnered with Code for America to provide virtual free tax credit services with IRS certified volunteers for household with earnings less than \$66,000
- <http://caleitc4me.org>
- <https://www.eitc.irs.gov>
- <https://www.irs.gov>
- http://www.sco.ca.gov/eo_vita.html

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The Internal Revenue Service (IRS) Volunteer Income Tax Assistance (VITA) Program offers free tax assistance to households with income of \$57,000 or less. For the 2020 tax year, these services will be predominantly virtual due to the COVID-19 pandemic.

EITC Postcards

The County of San Diego’s Eligibility Operations Community Action Partnership Team and local nonprofit agency Dreams for Change will coordinate distribution of EITC postcards and virtual EITC presentations to various Family Resource Centers (FRCs) and Employment Services (ES) sites as requested. Postcards will be distributed (through the San Diego EITC Coalition partners) to ES, Refugee Employment Services (RES), Public Health Clinics, City and County libraries, schools, and Child Care contractors.

In addition, a flyer containing postcard information with VITA site locations and phone numbers is being mailed to CalWORKs, CalFresh and Medi-Cal customers.

These EITC publications:

- Strengthen state and county efforts to promote the EITC to our customer population
- Target families and individuals who qualify for EITC
- Educate and assist families on how to access EITC

FRC, ES, RES and Child Care Staff Action

FRC and contracted staff will distribute these postcards to customers at all contacts and encourage them to contact 2-1-1 to receive free assistance to file their taxes and claim EITC and other tax credits available to them. If additional postcards are needed, FRC/ES Managers, or their designees, may contact the Community Action Partnership at (619) 338-2799.

Impacts:

CalWORKs

- Income
EITC payments, whether received as advanced payments or as a single payment, are exempt as income in determining CalWORKs eligibility or benefits level (CPG 44-100.H.2)
- Resource
EITC payments and refund payments are exempt resources for 12 months, starting with the month that the payment is received (CPG 42-200.I.6)

CalFresh

- Income
EITC payments, whether received as advanced payments or as a single payment, are considered a lump sum payment and excluded as income for CalFresh (CFPG 63-224, 63-225)
- Resource
EITC payments are excluded as resources for 12 calendar months starting with the month of receipt (CFPG 63-203, 63-204)

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Note: The resources of Categorically Eligible (CE) or Modified Categorical Eligible (MCE) households are not evaluated to determine eligibility to CalFresh (CFPG 63-201, 63-203, 63-120).

Medi-Cal

- Income
EITC payments received as tax refunds or advanced payments are exempt from consideration as income (MPG 10.02.02C and Desk Aid 56 – MAGI Income and Deduction Types)
For Aged, Blind & Disabled (ABD)-linked cases the EITC is treated as earned income (MPG 10.02.02C)
- Resource
Actual EITC payments are exempt property in the month following the month of receipt (MPG 09.06.01M)

General Relief (GR)

- Income
General Relief considers EITC payments as unearned income in the month received (GRPG 90-400.5F). If a customer received General Relief during 2020, and the customer receives EITC, the case must be reviewed for potential unreported earned income
- Resource
Any portion of the refund retained by the customer in the month following receipt is considered personal property (GRPG 90-400.5F)

Cash Assistance Program for Immigrants (CAPI)

- Income
CAPI exempts EITC from consideration as income in the month received (CAPI PG 99-103.2B)
- Resource
CAPI exempts EITC as a resource for 12 months following the month of receipt (CAPI PG 99-104.4B)

County Medical Services (CMS)

- Income
CMS counts EITC as earned income in the month received (CMSPG 06.01.02A)
- Resource
Any portion of the refund retained by the beneficiary in the month following receipt is considered exempt personal property (CMSPG 06.04.03H)

Automation:

To track EITC enrollment, the EITC record will be recorded in CalWIN as follows:

1. Click **Intake & Case Maintenance** on the **Navigate CalWIN** window
 - Click the **Data Collection** heading in the "Action" group box
 - Select the **Display Unearned Income Summary** window in the "Action" group box; and enter the case number

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- Click **[Open]** button. The **Display Unearned Income Summary** window displays with the **Case Number** and **Name** pre-filled in the "Case" group box
 - Select the individual from the **Name** drop down field
2. Click **Add** on the toolbar - The **Collect Unearned Income Detail** window displays
 - Enter the Effective Begin Date
 - In the **Type** field, select **Earned Income Tax Credit: actual money received as earnings/refund** from the drop-down menu
 - Select the **Frequency**, and **Source** from the drop-down fields
 - Complete the remaining fields on the **Collect Unearned Income Detail** window
 - Select the appropriate **Verification** and **Source** from the drop-down fields
 - Click **Save** on the toolbar
 3. Click **[Income Received]** button - The **Collect Income Received Detail** response window appears
 - Enter the date the unearned income was received or is expected to be received in the **Date Received/Expected to Be Received** field
 - Enter the **Income Terminated [Y/N]** indicator
 - Enter the **Begin Date** and **End Date** of the pay period in the "Pay Period" group box
 - Enter the gross dollar amount of the unearned income in the **Gross Amount** field
 - Enter the **Year to Date Total**
 - Enter the **Lump Sum [Y/N]** indicator
 - Select the appropriate **Verification** and **Source** from the drop-down fields
 - Click **Save** on the toolbar to save the information entered
 4. Close the **Collect Income Received Detail** window - Return to the **Collect Unearned Income Detail** window
 5. Close the **Collect Unearned Income Detail** window - Return to the **Display Unearned Income Summary** window
 6. Run Eligibility Determination and Benefit Calculation (EDBC) to apply the changes to the case

References:

All County Information Notice No. I-71-20

Sunset Date:

This policy will be reviewed for continuance by December 31, 2021.

Approval for Release:



Rick Wanne, Director
Eligibility Operations