



LEAD CENTER

Promoting Economic Advancement – Implementing Free Tax Prep Services

February 27, 2013
3:00PM EST

TODAY'S SPEAKERS

Elizabeth Jennings

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LEAD Center

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Tax Analyst

IRS-SPEC

HQ: National Partnerships



TODAY'S SPEAKERS, CONT.

Phyllis Brunson

Disability Resource Coordinator
Workforce Investment Network, Memphis, TN

Rick Molder

Director of Program Operations
South Central TN Workforce Alliance, Columbia, TN

Suzy Pruitt

Disability Resource Coordinator
South Central TN Workforce Alliance, Columbia, TN



The National Center on Leadership for the Employment and Economic Advancement of People with Disabilities (LEAD) is a collaborative of disability, workforce and economic empowerment organizations led by **National Disability Institute** with funding from the **U.S. Department of Labor's Office of Disability Employment Policy**, Grant No. #OD-23863-12-75-4-11.



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Please note: This webinar is being recorded and the materials will be placed on the National Disability Institute website at <http://www.realeconomicimpact.org/Pages/LEAD-Webinar-Feb27.aspx>



TECHNICAL ASSISTANCE

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AGENDA

- ▶ Review of Webinar Outcomes
- ▶ Framing the Issue
 - ▶ Economic Insecurity
 - ▶ Impact of the Earned Income Tax Credit
- ▶ Free Tax Preparation Models
- ▶ Implementing Free tax Preparation Services
- ▶ Replicable American Job Center models
- ▶ Question and Answer



WEBINAR OUTCOMES

- ▶ Attendees have a deeper understanding of the impact of personal financial challenges on employment outcomes
- ▶ Attendees are exposed to American Job Centers who have implemented financial stability programs within their American Job Center
- ▶ Attendees are better equipped to implement free tax preparation services in American Job Centers



LEAD CENTER MISSION

- ▶ To advance sustainable individual and systems level change that results in improved, competitive integrated employment and economic self-sufficiency outcomes for individuals across the spectrum of disability.



FRAMING THE ISSUE – ECONOMIC INSECURITY

- ▶ Nearly half of all Americans lack economic security.
 - ▶ These individuals live above the federal poverty threshold but still do not have enough money to cover housing, food, healthcare and other basic expenses.
(Wider Opportunities for Women, 2011)
- ▶ The poorest 15 percent of households, which disproportionately include individuals with disabilities, have zero or negative net worth with few or no net assets.
(Parish, et.al, 2010)



FRAMING THE ISSUE – IMPACT OF EITC AND FREE TAX PREPARATION SERVICES

- ▶ In 2011, EITC lifted an estimated 6.6 million people out of poverty, including 3.3 million or half of them children
- ▶ In 2011, nearly 27 million taxpayers received about \$59.5 billion from the EITC - the average refund was \$2,240
- ▶ Almost 3.2 million tax returns were prepared by VITA (Volunteer Income Tax Assistance) volunteers
- ▶ More than \$2.9 million is saved in tax preparation fees annually by tax filers using VITA sites alone



FRAMING THE ISSUE – CONTINUED NEED

- ▶ Estimates indicate that 20% to 25% of eligible taxpayers miss out on these credits.
- ▶ Individuals who do not claim these credits are more likely to:
 - ▶ be unemployed,
 - ▶ **be an individual with a disability or have a child with a disability,**
 - ▶ live in a rural area,
 - ▶ be a non-English speaker,
 - ▶ be a grandparent raising their grandchildren, or
 - ▶ be self-employed



FREE TAX PREPARATION SERVICES

- ▶ Volunteer Income Tax Assistance (VITA)
- ▶ Virtual VITA
- ▶ IRS Free File
- ▶ Facilitated Self-Assistance
 - ▶ VITA Free File
 - ▶ MyFreeTaxes



VOLUNTEER INCOME TAX ASSISTANCE

- ▶ Provides free in-person tax preparation services, in the community, at a broad array of locations
- ▶ Services are available to low- to moderate-income taxpayers – generally \$50,000 and below
- ▶ Utilizes IRS certified volunteers recruited and supported by partner organizations
- ▶ Volunteers are trained to claim the EITC, CTC and other favorable tax provisions for which the individual may qualify
- ▶ Services are free



VIRTUAL VITA

- ▶ Alternative VITA delivery model when face-to face-to-face assistance is not readily available
- ▶ Two key components – an Intake Site and a Preparation Site
 - ▶ Intake Site collects taxpayer documents to send on to preparation site
 - ▶ Preparation Site communicates directly with tax filer (virtually or by phone) while completing the tax return. Both the tax filer and a 2nd certified volunteer review the return before filing
- ▶ Piloted in multiple areas across the US in 2012



IRS FREE FILE

- ▶ Provides two filing services
 1. Free file software
 - Self-paced, step-by-step guidance to file and to claim favorable tax provisions
 - Available, at no cost, to any tax filer with annual gross income of \$57,000 or less

<http://www.freefile.irs.gov>.
 2. Free File fillable forms
 - Fillable forms for tax filers to complete their taxes and e-file
 - Available, at no cost, to any tax filer, regardless of income

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



MYFREETAXES.COM

- ▶ Launched in 2009 and funded by the Walmart Foundation
- ▶ National partners include National Disability Institute, United Way Worldwide, Goodwill Industries International
- ▶ Purpose is to increase access to the Earned Income Tax Credit (EITC) through free tax preparation options
- ▶ Combines traditional, volunteer-assisted & online self-tax preparation
- ▶ Emphasis on previously underserved populations, including people with disabilities



MYFREETAXES.COM, CONTINUED

- ▶ MyFreeTaxes online and facilitated self-assistance is available to people who earned \$57,000 or less in 2012.
- ▶ MyFreeTaxes offers free federal AND state tax filing.
- ▶ A national hotline is available to ALL MyFreeTaxes users
 - ▶ MyFreeTaxes: 1-855-MY-TX-HELP
 - ▶ 10am – 8pm EST (Monday – Saturday)
 - ▶ Helpline is staffed by select 2-1-1 centers and VITA certified volunteers



IMPLEMENTING FREE TAX PREPARATION SERVICES

- ▶ The following eight steps offer a practical outline for implementing Free Tax Preparation Services at your American Job Center.

Step One: Explore Available Free Tax Preparation Services

Step Two: Identify Partners

Step Three: Determine Program Design

Step Four: Tackle Logistics

Step Five: Market Free Tax Preparation Services

Step Six: Measure outcomes

Step Seven: Utilize Feedback



STEP ONE: EXPLORE THE IRS' FREE TAX PREPARATION SERVICES

- ▶ Download and read the following guidebook to explore the free tax preparation services the IRS supports:

Tax Year 2011 Partner Resource Package

<http://www.irs.gov/pub/irs-pdf/p4396a.pdf>

Tax Year 2012 IRS Volunteer Site Coordinators Handbook

www.irs.gov/pub/irs-pdf/p1084.pdf

- ▶ Contact National Disability Institute (Jamie Robinson, jrobinson@ndi-inc.org) to learn more about the MFT project.



STEP TWO: IDENTIFY PARTNERS

Consider two types of partners:

- ▶ Internal Partners
- ▶ External Partners



STEP TWO: IDENTIFY PARTNERS

Internal Partners

- ▶ American Job Center staff and American Job Center partners who are serving low-wage workers
 - ▶ Ticket to Work – Individuals with disabilities are a target market for EITC
 - ▶ TANF programs – studies show 60% employment post-TANF and usually at low wages
 - ▶ Youth programs – Both working youth and their families may be eligible for services

DOL-ETA SUPPORT

- ▶ **TRAINING AND EMPLOYMENT NOTICE NO. 30-11** - Free File and Other Resources for Free Income Tax Preparation and Filing, Tax Year 2011,
http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6602



STEP TWO: IDENTIFY PARTNERS

External Partners

- ▶ The IRS SPEC (Stakeholder, Partnerships, Education and Communication)
 - ▶ Plays a lead role in free tax preparation work in each community
 - ▶ Will connect you to local organizations currently providing free tax preparation services.
 - ▶ To locate your IRS SPEC Contact, 1-800-829-1040 or partner@irs.gov



STEP TWO: IDENTIFY PARTNERS

In many communities, coalitions of stakeholders with a shared mission to support free tax preparation financial education and other anti-poverty measures exist.

1. Ask the IRS-SPEC contact to connect you to this group
2. Join this coalition



STEP THREE: DETERMINE PROGRAM DESIGN

- ▶ There are four ways to offer free tax preparation services
 1. VITA (Volunteer Income Tax Assistance)
 2. Virtual VITA
 3. IRS Free File
 4. Facilitated Self-Assistance
 - ▶ VITA Free File
 - ▶ MyFreeTaxes



VITA (VOLUNTEER INCOME TAX ASSISTANCE)

- ▶ Program options:
 - ▶ Refer clients to VITA sites within the local community
 - ▶ Provide space at the American Job Center for VITA volunteers to offer free tax preparation services
 - ▶ Train American Job Center staff as VITA volunteers



VITA (VOLUNTEER INCOME TAX ASSISTANCE)

- ▶ Refer clients to VITA sites within the local community
 - ▶ Advertise free tax preparation throughout the American Job Center
 - ▶ Include free tax preparation services as part of individual plans



VITA (VOLUNTEER INCOME TAX ASSISTANCE)

- ▶ Provide space at the American Job Center for VITA volunteers to offer free tax preparation services
 - ▶ Secure site locations
 - ▶ Provide computers and supplies
 - ▶ Install IRS provided software onto computers



VITA (VOLUNTEER INCOME TAX ASSISTANCE)

- ▶ Train American Job Center staff as VITA volunteers
 - ▶ Recruit volunteers
 - ▶ Work with IRS-SPEC to certify all volunteers in tax preparation
 - ▶ Provide free tax preparation services
 - ▶ Ensure quality through use of all available tools and quality review process
 - ▶ View the VITA supplement materials for more information



REPLICABLE MODELS

- ▶ American Job Centers that are engaged in activities designed to build the financial stability of American Job Center customers
- ▶ Guest presenters represent implementers from two American Job Centers:
 - ▶ **Workforce Investment Network**, Memphis, TN
Phyllis Brunson, Disability Resource Coordinator
 - ▶ **South Central TN Workforce Alliance**, Columbia, TN
Rick Molder, Director of Program Operations
Suzy Pruitt, Disability Resource Coordinator



REPLICABLE MODELS

- ▶ What is the model you have implemented within the American Job Center?
- ▶ Why did you choose to take on this effort?
- ▶ How do you utilize current American Job Center staff?
- ▶ Do you have partners in this effort?
 - ▶ What does that collaboration entail?
- ▶ Does the strategy target one or more special populations?
- ▶ What outcomes have you experienced?
- ▶ What advice do you have for other American Job Centers?



South Central Tennessee Workforce Alliance



Suzy Pruitt, Disability Resource Coordinator (DRC)

Rick Molder, Director of Program Operations



South Central Tennessee
Workforce Alliance



*Partners

- *National Disability Institute
- *South Central Tennessee Workforce Alliance
- *Internal Revenue Service

* Model

- * National Disability Institute
 - * Administrate, train and employ staff
- * South Central Tennessee Workforce Alliance
 - * www.myfreetaxes.com/sctwa
 - * On-site supervision of “*job share model*”
 - * Work station
 - * Marketing and outreach
- * Internal Revenue Service
 - * Technical support and laptop

* Purpose

- * Asset Development
 - * Wage management
 - * Income tax as a logical progression
 - * Individual Development Account

*Target Populations

- * Individuals with disabilities
- * Newly employed career center customers
- * Low income individuals

* Outcomes

* “I never thought I would be preparing my own taxes” ...success story #1

* “I think that this program is great and I hope that it returns in the future.” ...success story #2

Suzy Pruitt, Disability Resource Coordinator (DRC)

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Rick Molder, Director of Program Operations

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South Central Tennessee
Workforce Alliance



QUESTIONS?



LEAD CENTER *FREE* WEBINAR SERIES

- ▶ The LEAD Center will provide a new webinar on the last Wednesday of the month from 3:00p.m. EST - 4:30p.m. EST.
- ▶ Webinars will include three mini-series on:
 1. Leadership
 2. Employment
 3. Economic Advancement
- ▶ The first mini-series will focus on economic advancement strategies for workers with disabilities.



UPCOMING WEBINARS: ECONOMIC ADVANCEMENT SERIES, CONTINUED

March 27, 2013 from 3:00pm to 4:30pm EST

Promoting Economic Advancement - Financial Education

Webinar will offer attendees a context for the need for and benefits of financial education, connections to free financial education curriculums and resources, practical steps to implementing Money Smart in American Job Centers, and a story from the field.

Target Audience: Workforce Investment System and related stakeholders



UPCOMING WEBINARS: ECONOMIC ADVANCEMENT SERIES, CONTINUED

April 24, 2013 from 3:00pm to 4:30pm EST

Using Work Incentives to Build Financial Stability

Webinar will offer individuals an overview of the two Social Security disability benefit programs, opportunities to increase income through the use of SSDI work incentives, opportunities to increase income through the use of SSI work incentives, and work incentives that support savings above the \$2,000 SSI asset limit.

Target Audience: Individuals with disabilities and related stakeholders



THANK YOU

Elizabeth Jennings

LEAD Center, Assistant Project Director

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