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# NTAR Leadership Center

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## **SUMMARY ~ Audio Conference ~ April 2, 2009**

### **The American Recovery and Reinvestment Act (ARRA)**

### **Opportunities and Implications for the Employment of Adults with Disabilities**

The National Technical Assistance and Research Center to Promote Leadership for Increasing Employment and Economic Independence of Adults with Disabilities (**NTAR Leadership Center**) in partnership with the US Department of Labor, Office of Disability Employment Policy, sponsored an audio conference on April 2, 2009 for members of its State Leaders Innovation Institute and its State Peers Leaders Network.

#### **Topic: Overview of Key Tax Credits and Other Benefits of the ARRA**

#### **Goal of the Audio Conference Session:**

- To help state policy makers generate a more promising employment outlook for people with disabilities in this tough economy by seeing the stimulus dollars as an opportunity to insert creative ideas at the state and local level;
- To help state policy makers understand the dollars going into states and to beneficiaries residing in their states, to take advantage of those funds to both stem the erosion of progress made and to help understand the opportunities available to individuals through this funding; and
- To introduce those on the call today to some ideas and thinking from other states and the federal government.

#### **Audio Conference Agenda:**

##### Welcome and Introductions (2:00 pm)

Kathy Krepcio, Director, NTAR Leadership Center

Nanette Relave, Co-Moderator, Director, Center for Workers with Disabilities, APHSA

Chris Button, Senior Policy Advisor, Office of Disability Employment Policy, US Dept of Labor

##### Update on Key Tax Credits and Other Benefits in the ARRA

Richard Keeling, Senior Tax Analyst, Internal Revenue Service, Stakeholder Partnerships,  
Education and Communication, National Partnerships

Ken McGill, Consultant to CESSI, Program Manager for the Social Security Administration

##### Facilitated Discussion

Nanette Relave - Moderator

##### Adjourn (3:00 pm)

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## Presentation Summaries:

### **Richard Keeling, Senior Tax Analyst, Internal Revenue Service, Stakeholder Partnerships, Education and Communication, National Partnerships**

The ARRA includes key provisions that impact individuals and families. In general, the provisions do not impact tax returns for 2008 with the exception of the First-Time Homebuyers Credit.

- **Making Work Pay Credit:** For 2009 and 2010, the Making Work Pay provision of ARRA will provide a refundable tax credit of up to \$500 for working individuals and \$800 for married taxpayers filing jointly. The tax credit will be calculated at a rate of 6.2% of earned income and will phase out taxpayers with adjusted gross income in excess of \$75,000, or \$150,000 for married couples filing jointly.
- **Earned Income Tax Credit (EITC):** ARRA temporarily increases the EITC for working families with three or more children. The ARRA increases the EITC credit to 45% of the family's first \$12,570 of earned income for families with three or more children, and increases the beginning point of the phase-out range for all married couples filing a joint return (regardless of the number of children) by \$1,880. You can go back three years to file for this credit (to April 2006)
- **Child Tax Credit:** Temporary increase in the refundable portion.
- **American Opportunity Tax Credit:** Formerly known as HOPE. Tax credit toward first four years of post-secondary education (up from 2 years) available in 2009 and 2010. 40% will be refundable or up to \$2,500. The tax credit will phase out taxpayers with adjusted gross income in excess of \$80,000, or \$160,000 for married couples filing jointly.
- **Unemployment (UI) compensation:** Temporarily suspends federal income tax on the first \$2,400 of UI benefits per recipient.
- **First Time Homebuyer Credit:** Was amended for purchases in 2009. Now qualifying homebuyers can claim a refundable credit up to \$8,000 (\$4,000 for married filing separately) with no repayment requirement. For qualified home purchases after 12/31/08 and before 12/1/09, taxpayers can elect to take the credit on their 2008 tax return. Homes purchased on or after 4/09/08 and before 01/01/09 continue to be governed by the original first time homebuyer credit enacted last year. The 2008 law includes the repayment requirement and is limited to \$7,500.
- **Energy Conservation Credit:** Tax credits have been expanded in 2009 for the purchase of windows, doors, and specific insulation, HVAC and water heaters.
- **Sales Tax Deduction:** For 2009 there is an additional deduction for state and local sales and excise tax on the purchase of certain new vehicles. A qualified motor vehicle must be new (original use must commence with taxpayer) and includes a passenger automobile or light truck, a motorcycle, or a motor home. Deductible sales and excise taxes cannot exceed the portion of the tax attributable to the first \$49,500 of the purchase price on any one vehicle and the deduction phases out with income of \$125,000 (\$250,000 on a joint return). The deduction is allowed for nonitemizers.

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- **Special Education:** The ARRA provides The Individuals with Disabilities Education Act (IDEA) programs with an additional \$12.2 billion in 2009.

## Recruiting and Hiring Individuals with Disabilities at the IRS

- Effort started in late 2007. Goal is to have 2% of the IRS workforce individuals with disabilities (currently IRS is at 3%). The goal is to make the IRS one of the premier places to work for people with disabilities. The agency is engaged in recruit, hire and retain initiatives.
- For individuals with disabilities, there is a special advantage that allows the federal agency to appoint people using the authority under Schedule A – which means the federal agency can appoint someone in a noncompetitive way without a job vacancy.
- An individual with a disability would need a letter or certification from a Vocational Rehabilitation office, Doctor, Veterans Authority or other certification.

For information about career opportunities at IRS visit [www.jobs.irs.gov](http://www.jobs.irs.gov) or [www.usajobs.gov](http://www.usajobs.gov)

The IRS estimates that approximately 1 million people with a disability don't file a tax return and thus forego about \$1 billion annually in tax credits and refunds. It is important to get the word out about these credits. Outreach is very important. Please share this information with your community.

For more information, visit the Internal Revenue Service Website: <http://www.irs.gov>

## Ken McGill, Consultant to CESSI, Program Manager for the Social Security Administration (SSA)

The ARRA contains a one-time payment for Social Security beneficiaries and Veterans:

- Provides a one-time payment of \$250 to individuals with disabilities receiving benefits from the Social Security Administration, including Supplemental Security Income (SSI) recipients as well as veterans with disabilities receiving benefits from the US Department of Veterans Affairs. The payment will not count as income for SSI beneficiaries; however, it will be counted as a resource after 9 months. There is no tax return filing requirements to access the benefits. Beneficiaries will receive an electronic payment within 120 days of the Secretary of Treasury initiating the benefit (mostly likely by the end of May 2009).

CESSI is helping the SSA with a new large hiring initiative at the agency.

- The SSA has a very strong intention to hire people with disabilities. Recruiting efforts including using Ticket to Work and other employment networks
- An agency-wide task force is putting together a plan to go to State Vocational Rehabilitation agencies, benefits planners, advocates and Employment Networks (ENs) that would provide them with national training and details about the hiring initiative
- Focus of the recruitment effort will be Social Security beneficiaries especially those in the Ticket to Work program and SSDI but the agency will cast a wide net
- Not all employment is in Baltimore, MD. There will be jobs out in the SSA's field offices (such as service and teleservice reps). There are quite a number of new job opportunities from entry level work to jobs requiring a professional degree (e.g., attorney).

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# NTAR Leadership Center

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## **Outreach Efforts shared by Tammie Amsbaugh, State of Iowa:**

The state of Iowa has been engaged in a concerted outreach effort to get the word out to people with disabilities about available tax credits and refunds. Types of marketing tools have included:

- Newsletter to Medicaid Buy In population (Iowa has about 12,500 in the Buy-In) about EITC credit increases. In 2008, also did a direct mailing to help people get a stimulus payment.
- Spring 2008 mailing (for stimulus payment and EITC). Last summer/Fall 2008 there was over \$11 million in unclaimed stimulus dollars to Iowans, so they did another mailing that included a tax form. They received a lot of responses. The Governor's office did a press release as well.
- At the end of 2008, mailed out an EITC brochure to all recipients of state funded programs (such as child care, welfare, Medicaid, etc).
- Sent information to service providers and case managers to tell them about the importance of filing tax returns. Outreach to these providers was very important.

## **Questions/Comments and Ideas from Audio Conference Participants:**

### **Question: What is Schedule A?**

Schedule A refers to a directive from the federal government regarding their hiring options that include excepted service special appointing authorities for people with disabilities. Federal employers are authorized to use these authorities when considering certain people with disabilities (those who have severe physical, cognitive, or psychiatric disabilities or who have a history of or who are regarded as having such disabilities). The authorities provide an opportunity to demonstrate the potential to successfully perform the essential duties of a position with or without reasonable accommodation in the workplace.

**Schedule A, 5 CFR 213.3102(t) for Hiring People with Mental Retardation.** This authority is used to appoint persons with cognitive disabilities (mental retardation) who meet the eligibility requirements. Upon completion of 2 years of satisfactory performance the employee may qualify for conversion to the competitive service.

**Schedule A, 5 CFR 213.3102(u) for Hiring People With Severe Physical Disabilities.** This authority is used to appoint persons with severe physical disabilities who: (1) under a temporary appointment have demonstrated their ability to perform duties satisfactorily; or (2) have been certified by a counselor from a State vocational rehabilitation agency (SVRA) or the Department of Veterans Affairs Vocational Rehabilitation Office as likely to succeed in performance of duties. Upon completion of two years of satisfactory service under this authority, the employee may qualify for conversion to the competitive service.

For more information visit: <http://federaljobs.net/disabled.htm>

### **Question: Are the economic stimulus payments still available?**

The stimulus payments, now called the Recovery Rebate Payment, are still available but you must file a tax return for this year.

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# NTAR Leadership Center

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**Question: Is there a new provision regarding individuals with disabilities owned businesses?**

Yes. The ARRA confirms the rights of business owners with disabilities to benefit from the tax credits afforded to other small business owners (such as women and minorities) within the Small Business Act.