

FINANCIAL RESOURCES FOR RELATIVE CAREGIVERS

BY GENERATIONS UNITED

Many grandparents and other relative caregivers face significant economic difficulties. About 22% of grandparents responsible for grandchildren live in poverty. Many younger caregivers must quit their jobs, cut back on work hours, or make other job-related sacrifices that can negatively affect their future economic well-being.

Caregivers who are either retired or are not working also suffer financially for taking in their relatives' children, often depleting life savings, selling belongings, and spending their retirement income to care for the child. Many older caregivers already live on limited incomes so caring for a child can severely strain their finances.



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There are a few potential sources of financial assistance for relatives raising children.

- Temporary Assistance for Needy Families (TANF)
- Foster Care Payments
- Adoption Assistance
- Guardianship Assistance Program (GAP)
- Social Security
- Supplemental Security Income (SSI)

Where available, Kinship Navigator Programs may also provide caregivers with one- time financial help or connect them with other assistance and supports.

Temporary Assistance for Needy Families (TANF)

TANF provides time limited assistance to families with very low incomes. It is the only option available to grand-families who are raising children outside of the formal foster care system. Each state determines the income eligibility for its TANF program and the amount of assistance to be provided to families. There are two basic types of grants a relative caregiver can receive under TANF.



Child Only Grants

- Are typically quite small and may not sufficiently meet the needs of the child in 2011, the average grant gave \$8 per day for one child, with only slight increases for additional children.

- Usually consider only the needs and income of the child when determining eligibility.

- Because few children have income of their own, almost all grandfamilies can receive a child-only grant on behalf of the children in their care.



Family Grant

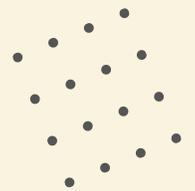
- Are usually larger than child-only grants.

- Impose 60-month time limit and work requirements (states can exempt caregivers from these requirements and some do).

- Consider the caregiver and child's incomes when determining eligibility.

- Provides funding for the needs of the child and the caregiver.

- May not be appropriate for retired relative caregivers or for caregivers who will need assistance for more than 60 months.





Foster Care Payments

Foster Care Payments provide monthly payments to relative caregivers on behalf of children in their care if the children are involved in the child welfare system. The vast majority of children in grandfamilies are ineligible because grandparents or other relatives stepped in to care for the children before the child welfare system became involved.

- Relatives must become licensed foster parents.
- Payments are typically higher than the TANF child-only payments grandparents or other relatives could receive on behalf of the children in their care (and usually higher than a “family grant”) – in 2011, the average monthly payment was \$511.
- Payments multiply (e.g., double, triple) as the number of children cared for increases.

Adoption Assistance

Adoption Assistance provides payments to relative caregivers who choose to adopt qualifying children in their care. Children must have special needs to qualify. “Special needs” are defined by the state, but generally include characteristics or conditions that make it difficult to place the child with adoptive parents without a subsidy.

- Available in all states to children with “special needs” who are adopted from the child welfare system.
- Amount of payment varies by state – specific eligibility, benefit, funding, and other characteristics for each state’s adoption subsidy program are available through the North American Council on Adoptable Children’s website at www.nacac.org.



Guardianship Assistance Program (GAP)

The federal Fostering Connections to Success and Increasing Adoptions Act of 2008 allows states and tribes to take an option to offer financial assistance to grandfamilies under the Guardianship Assistance Program (GAP). GAP provides monthly assistance to what are known as “Title IV-E” eligible children who exit the foster care system into a guardianship with a relative. The majority of states, the District of Columbia, and several tribes now offer GAP.

- Relatives must be licensed foster parents.
- The children must have been in foster care with the relatives for at least 6 months.
- Adoption and reunification with the parents are not appropriate options for the children.

The majority of jurisdictions with GAP also offer guardianship assistance to those children who are not Title IV-E eligible leaving the foster care system with relatives. Unfortunately, few places offer similar help to those children who have not first been part of the foster care system.

Social Security

Children being raised by grandparents may be eligible for Social Security if the child’s parent is collecting retirement or disability insurance benefits. If one of the child’s parents has died and was fully insured when he or she died, the grandchild may also be eligible.

Grandchildren may also qualify for Social Security based on the work record of the grandparents. More information is available at www.socialsecurity.gov/kids





Supplemental Security Income (SSI)

SSI may be available to relative caregivers and the children they are raising if either the caregiver or child has dis-abilities that seriously limit their activities. In 2013, the average monthly SSI payment for children younger than age 18 was \$633. The disability planner on the Social Security Administration website can help determine eligibility, www.ssa.gov

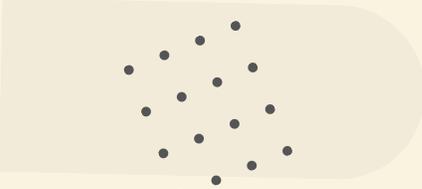
Food Programs

In addition to monthly financial assistance, there are programs that may help relative caregivers pay for food:

- Supplemental Nutrition Assistance Program (SNAP)
- Women, Infants, and Children (WIC) Program
- National School Breakfast and Lunch Programs
- Summer Food Service Program (SFSP)

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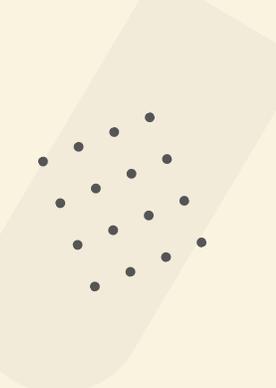
SNAP, formerly known as “Food Stamps,” may be available to relative caregivers to help get food for their grandfamily. Local offices, the state hotline, and each State’s application are available at www.fns.usda.gov/snap



Women, Infants and Children (WIC) Program

The WIC program can help eligible relative caregivers meet nutrition needs of children they raise younger than age 5.

Children must have certain types of health conditions to qualify. To apply, relative caregivers should start by calling their state office toll free. For those numbers, see www.fns.usda.gov/wic



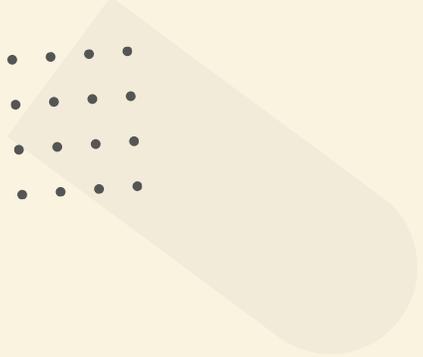
Summer Food Service Program (SFSP)

SFSP provides low-income children raised by relatives and others with nutritious meals when school is not in session. Free meals are provided to all children 18 years old and younger at approved SFSP sites. Visit <https://whyhunger.org/find-food/>



National School Breakfast and Lunch Programs

This program provides free or low-cost meals to eligible students, and is available through the children's schools.



Federal Tax Credits



There are a number of federal tax credits available to relative caregivers.

- Earned Income Tax Credit (EITC)
- Child tax credit
- Additional child tax credit
- Child and dependent tax care credit
- Adoption tax credit

Earned Income Tax Credit (EITC)

The EITC is refundable. That means relative caregivers who do not earn enough to pay taxes, can get a refund check from the IRS.

- Children must live with the relative caregivers for more than half the year.
- This tax credit applies until the children turn age 19 (or 24 if full time students).
- If the children are totally and permanently disabled, there are no age requirements.

Child tax credit

This tax credit of up to \$1,000 per child is available for dependent children younger than age 17. This credit is not refundable. So, if relative caregivers do not owe enough taxes, they cannot claim the credit.

Additional child tax credit

This tax credit may help relative caregivers who do not owe enough taxes to benefit from the child tax credit. Unlike the child tax credit, this tax credit is refundable.

Child and dependent tax care credit

This credit of up to \$3,000 per child helps relative caregivers who have hired someone to help care for the children so the caregivers can work or look for work.





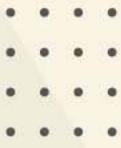
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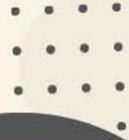
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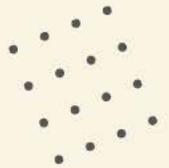
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