

as a child care provider as long as the provider meets applicable State and local licensing, registration, and safety and health requirements. Parents will have the option to choose providers under contract with the grantee or through a certificate program that each grantee must provide. The new block grant is intended to supplement existing Federal, State and local child care programs.

At-Risk Child Care Program. This child care program is designed to provide child care assistance to low-income working families who are not on welfare but at risk of becoming welfare recipients in the absence of financial assistance for child care. Families must contribute to the cost of the care based on a sliding fee scale developed by the State. Additional eligibility requirements are established by the State.

Earned Income and Related Credits. The Earned Income Credit (EIC) is a cash refund, whether or not the employee earns enough to pay taxes. The employee can claim the EIC in advance with wages or at the end of the tax year. The credit is generally available to employees with earned income less than \$21,250 in 1991 (higher amounts for later years) and dependent(s) under age 19 (or age 24, if in school full time). There is no age requirement for a dependent who is permanently and totally disabled. New tax laws expanded the EIC to include a higher benefit level for families with two or more children and a credit for a child under age one. A new child health insurance tax credit was also established as a result of the legislation. These credits are available even if one parent stays home. Employees can claim the credit for a child under age one or the Child and Dependent Care Tax Credit, but not both for the same child. In either case, the employee can still claim EIC and the child health insurance credit. The employee is allowed maximum choice in determining which credit to claim. The child health insurance tax credit, however, can be claimed only when the employee has expenses for health coverage that include children satisfying the age test under the EIC.

Other Programs. There are many Federal, State and local programs benefiting families besides tax credits and block grants. These programs provide an array of assistance to help families meet their employment, training, housing, nutrition, health, social services and income needs.

How To Get Benefits. To receive advanced payment of the Earned Income Credit as part of their salary or wages, taxpayers must file a certificate of eligibility (Form W-5) with their employer. In order to claim any of the tax credits at the end of the taxable year, eligible taxpayers must file a completed Form 1040 or 1040A with appropriate

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