



Maryland Individual Development

Accounts:

- ◆ Residents of Calvert, Charles, St. Mary's and southern Prince George's Counties contact the Southern Maryland Tri-County Community Action Committee (301) 274-4474 x262 or www.smtccac.org
- ◆ Residents of Prince George's County contact the Greater Washington Urban League (202) 265-8200 x228
- ◆ Residents of Harford County contact the Harford Community Action Agency 410-612-9909 x2218

Note: Individuals need to contact the program to learn more about eligibility requirements.

Asset Development

Why Asset Development?

Asset development means obtaining resources that increase in value, such as a home. Such assets can provide:

- ◆ money in case of an emergency (i.e. unexpected medical bills, car repairs, etc),
- ◆ additional income for retirement, and
- ◆ an inheritance to pass along to children and/or grandchildren.

Employment is one way that an individual can become financially independent, but it is also vital to acquire assets that build value over time. Individuals can build assets through Individual Development Accounts (IDAs), the Earned Income Tax

Individual Development Account (IDA)

What is an Individual Development Account (IDA)? An IDA is a matched savings account for working people with limited incomes to save money to buy an asset, such as a home, a business or a college education. Each dollar the person saves is matched by at least one dollar from government funds or donations. Most IDA's have no impact on SSI or SSDI benefits – see a benefits counselor for advice. Maryland currently has three IDA programs serving five counties (see side bar for details).

Saving Matters

Why is it important to save money? Because life happens- cars need repairs, appliances need to be replaced, and some medical costs may not be covered in full under your insurance plan. Having some money in savings can reduce the stress in handling these situations or other emergencies and help you avoid going into debt. Some ideas on ways to save money are:

Set a savings goal. Create a visual reminder of the goal. This could be a picture to put on your door, or even a piece of paper in your wallet with the savings goal written on it. Put money towards your savings goal in the beginning of the month. If you wait until the end, there may not be any money left over. If you use a checking account, think about setting up a separate savings account.

Set up automatic transfer from your checking into your savings account at the same time each month. Create a savings box with your family. Instead of getting pizza for dinner one night, put that money in the savings box.

Collect loose change and put in a jar. Watch it grow and at the end of a month, take it and deposit the money into a savings account.

Join the many other people who have money in savings and enjoy the feeling

This fact sheet and others can be found at www.mdeid.org and www.mdworkforcepromise.org.

Questions?

Contact the Maryland Department of Disabilities.

Earned Income Tax Credit (EITC)

The Earned Income Tax Credit (EITC) is a credit for people who have low to moderate incomes and work for pay. The EITC can reduce the amount you pay in taxes and could give you a refund. An individual must meet the following requirements to be eligible for the EITC:

- ◆ have a valid Social Security number
- ◆ have earned income from employment or self-employment
- ◆ If married, filing status cannot be "married, filing separately"
- ◆ be a U.S. citizen or resident alien for the whole filing year
- ◆ cannot be a qualifying child of another person,
- ◆ if individual doesn't have a qualifying child, he/she must:
 - ◆ be between 25-64 at the end of the year,
 - ◆ live in the U.S. for more than 1/2 the year and
 - ◆ not qualify as a dependent of another person.

There are certain income limits an individual must meet to be eligible for the EITC. The limits for 2014 are between \$14,590 (single with no qualifying children) and \$52,427 (married filing jointly with three or more qualifying children).

If an individual meets all of the eligibility requirements the amount of the credit he/she may receive for 2014 is between \$496 (no qualifying children) and \$6,143 (three or more qualifying children).

The IRS has developed a web-based tool to help an individual find out if he/she can claim the EITC, how much his/her credit will be, and if his/her child is a qualifying child. To access this tool, visit <http://www.irs.gov/individuals/article/0,,id=130102,00.html>.

Homeownership for Individuals with Disabilities Program

The Homeownership for Individuals with Disabilities Program provides very low interest mortgages for Marylanders with disabilities who meet the income eligibility requirements. The benefits of this program are:

- ◆ no down payment is required,
- ◆ only \$500 is due at closing and it may be gifted,
- ◆ credit requirements are more relaxed than other programs.

To be eligible for this program:

- ◆ An individual who is borrowing the money needs to have a disability **or** a son or daughter who lives with and is cared for by the individual has to have a disability. A "certificate of disability" completed by a health, mental health or disability professional has to be provided.
- ◆ An individual must meet the credit requirements.
- ◆ An individual must go to homebuyer counseling from an approved agency.

To learn more about the requirements and how to apply for this program, visit the Department of Housing & Community Development's website (<http://www.mdhousing.org/website/programs/hidp/hidp.aspx>) or call (410) 514-7530.

Resource

Maryland Resources

Maryland Work Incentives Network

Voice: (301) 277-2839 / (888) 838-1776

TTY: Use Maryland Relay 711

Website: www.innow.org

Maryland Department of Disabilities

Voice / TTY: (410) 767-3660

Voice / TTY: (800) 637-4113

Email: mdod@maryland.gov

Website: www.mdod.maryland.gov

Maryland Department of Housing & Community Development

Homeownership for Individuals with Disabilities Program

Voice: (410) 514-7530

Email: SingleFamilyHousing@dhcd.state.md.us

Website: <http://www.mdhousing.org/Website/Programs/hidp/Default.aspx>

National Resources

CFED (Corporation for Enterprise Development)

IDA Network

Email: info@cfed.org

Website: www.cfed.org/programs/idas/

National Disability Institute REI Tour & Visa's Financial Soccer Game

Website that provides information on core financial concepts such as managing credit, saving and staying on budget.

Website: <http://reitour.financialsoccer.com>

Smart About Money

National Endowment for Financial Education Website that provides articles, worksheets and tips to help individuals understand and manage their money.

Website: www.smartaboutmoney.org

Money Smart - A Financial Education Program

Federal Deposit Insurance Corporation A web-based program that has 10 modules on several topics including banking, borrowing money, credit, charge cards and buying a house.

Website: www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html