



American Rescue Plan Relief for Incarcerated Individuals

The incarcerated population are eligible for different forms of relief included in the American Rescue Plan (ARP) and prior federal relief bills responding to the pandemic. The following is a brief summary of how incarcerated people may access key ARP benefits.

- The ARP allows for medical assistance under Medicaid during a 30-day period preceding an incarcerated individuals' release.¹
- Incarcerated people are eligible for all three survival cash payments authorized during the pandemic.
 - People who are in prison and jail are eligible to qualify for the first survival cash payment under the CARES Act of up to \$1,200 per adult, as well as the second payment of up to \$600 under the December 2020 Appropriations Act, and the third payment under the ARP of up to \$1,400.²
 - A federal judge ruled that the IRS does not have the authority to withhold survival cash payments. The IRS withheld some of the first payments because of confusion surrounding if incarcerated individuals were allowed to access.³
 - Incarcerated people who are missing any of the payments will need to fill out 2020 Form 1040 or 1040-SR to claim either the first or second payment. Both forms can be found on www.irs.gov or a paper form can be mailed to the IRS.¹
- Incarcerated people and their children are potentially eligible for the temporary Child Tax Credit and Earned Income Tax Credit measures in the ARP.
 - Generally, an incarcerated person's income earned while incarcerated does not qualify as earned income for the Child Tax Credit (CTC) or the Earned Income Tax Credit (EITC). If the incarcerated person performs services for any payor, even a private company, while in jail, the wages received are not earned income for the CTC or EITC.⁴

¹<https://budget.house.gov/sites/democrats.budget.house.gov/files/documents/S%20Con%20Res%205%20Bill%20Final.pdf>

²<https://www.cnet.com/personal-finance/your-third-stimulus-check-can-be-seized-heres-what-to-know/#:~:text=Your%20third%20stimulus%20check%20can.cover%20past%2Ddue%20child%20support.&text=An d%20like%20the%20second%20check.to%20pay%20overdue%20child%20support>

³<https://www.washingtonpost.com/business/2020/10/19/federal-judge-rules-inmates-must-receive-stimulus-checks/>

⁴<https://www.irs.gov/pub/irs-pdf/p4924.pdf>

- For just 2021, children whose parents have no income, regardless of whether any of the filers are incarcerated, may be eligible for the maximum CTC (\$3,600 for children up to the ages 0-5, and \$3,000 for children ages 6-17).
 - An incarcerated person may still be eligible for tax credits if they receive income from other sources, such as income earned before incarceration or income earned by a spouse who is not incarcerated.⁵
 - If a person did not file taxes in previous years due to incarceration, they have three years from the due date of your last tax return to claim any credits or refunds for which they may have been eligible.⁵
 - A person may qualify to take the child tax credit (CTC) on their incarcerated qualifying child if they can meet the temporary absence requirement: a qualifying child must meet the age, relationship, residency, support, citizenship and dependency test to be a qualifying child for the child tax credit.
- The American Rescue Plan also supports COVID-19 safety in federal, state, and local prisons, jails, and detention centers by providing funding for COVID-19 mitigation strategies, including supplies and physical distancing; safe re-entry for the formerly incarcerated; and the vaccination of both incarcerated people and staff.⁶

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Community Change Action is a national social justice organization that builds the power and capacity of low-income people, especially low-income people of color, to change the policies and institutions that impact their lives.

⁵<https://www.eitcoutreach.org/blog/filing-taxes-if-you-are-currently-incarcerated-or-re-entering-society/>

⁶<https://www.whitehouse.gov/briefing-room/legislation/2021/01/20/president-biden-announces-american-rescue-plan/>