Wi$eUp Teleconference Call
Helping Low-Income Individuals and Families Build Financial Resources
January 29, 2010
Questions & Answers

Jane Walstedt: And now I'd like to turn the call over to Shannon, our operator, to instruct us on how to ask a question.

Coordinator: If you would like to ask a question, please press * 1. To withdraw your question, please press * 2. Again, if you would like to ask a question, please press * 1. One moment.

Woman: No, do you want to ask one?


What I was wondering is how would the folks on the phone sign up to receive the Consumer News? And if he’s not on the phone still, then what we’ll do is we'll find that out and make it available on the Wi$eUp Web site so that anyone who wants to receive that newsletter will be able to get it.

Jane Walstedt: We could put a link in the transcript. [www.fdic.gov/consumernews]


Jane Walstedt: Luke, are you still there? Or Bobbie? Apparently not. Shannon...

Coordinator: Yes, we do have a question on the audio side. Our first question goes to Roseanne Skarbrevik. Your line is open.
Jane Walstedt: Go ahead, Roseanne.

Roseanne Skarbrevik: Hi. Thank you. Concerning the IDA and matched income accounts, how do I actually find an institution in my area that provides matched income accounts? I don't understand that.

Jane Walstedt: Can you answer that?

Elizabeth Jennings: I sure can. Yes. There’s a Web site. If you just Google “Assets for Independence Act,” you will come up to AFI’s Web site, and right on the first page of the AFI Web site there is a link that says, "Find an IDA Provider in Your Area," or it says grantees. But the AFI grantees are the IDA providers.

Roseanne Skarbrevik: Okay. So the...

Elizabeth Jennings: Also on our own Web site, which is realeconomicimpact.org, if you click into the disability area under our resources, we have links to look at IDA programs in your local area.

Roseanne Skarbrevik: Okay, thank you. I’m actually on there - the AFI Web site - that’s what you said it would be--idaresources.org.

Elizabeth Jennings: Yes, you can look at idaresources.org or you can look at…it is…it’s a long Web site, so it’s af – I don’t remember by heart – forgive me everyone. It is…it’s www.acf.hhs.gov/assetbuilding.

Roseanne Skarbrevik: Thank you. assetbuilding. Thank you.

Jane Walstedt: And that ACF stands for Administration on Children and Families under the Department of Health and Human Services.
Roseanne Skarbrevik: Thank you.

Jane Walstedt: Yes. Shannon, do we have another question?

Coordinator: Our next question goes to Paula Schwach. Your line is open.

Paula Schwach: Thank you. I just wanted to reconfirm that the Earned Income Tax Credit for two qualifying children is $5028, and that to get it you must file an income tax return.

Richard Keeling: That’s correct, you have to file an income tax return.

Paula Schwach: Thank you.

Richard Keeling: And if I could add one other thing on the IDA program. I know it’s kind of off topic, but in the state of Georgia, one of the organizations that I volunteer for, we currently have an IDA program, and we’re looking for applicants.

This is mostly for people with disabilities that we have like a...I believe it’s a four-to-one match on one--and that’s in getting assistive technology--and a five-to-one match on another. And I'm not sure, I don't have all the details in front of me.

I'm just part of the program and one of the volunteers at the tax site. But I just wanted to throw that out there if anybody’s on the call from Georgia or knows anyone in Georgia that has a disability and needs assistive technology or some other thing regarding the IDA program.

Jane Walstedt: Thanks, Richard.

Richard Keeling: Sure.
Jane Walstedt: Shannon, do we have another question?

Coordinator: Our next question goes to Paula Williams. Your line is open.

Jane Walstedt: Go ahead, Paula.

Paula Williams: I wanted to find out where can I go to find out information on how to become an IDA provider?

Jane Walstedt: Oh, Kathleen, can you answer that? I mean Elizabeth.

Elizabeth Jennings: Yes, it’s actually the same Web site - the acf.hhs.gov. And the AFI grants come out once a year, and they'll have the RFP right up there on the AFI home page.

Jane Walstedt: Thank you. Did that answer your question?

Paula Williams: Yes, thank you.

Jane Walstedt: Okay, great. Shannon, do we have another question?

Coordinator: Our next question goes to Rebecca Allen.

Rebecca Allen: Yes. My question is the IDA account - will that be managed by the individual or would that be managed by the matching financial institution?

Elizabeth Jennings: That's a great question. So the IDA account is managed by the grantee that holds the IDA program. So whoever’s running the IDA program, for example in your community your local United Way might be the group that runs the IDA program.
And as such they would be the conduit between the individual and the bank. So they would be the one setting up the IDA account with the bank. The person would have their own individual account, but it is primarily managed through the IDA provider.

The benefit to the bank is that when the individual is successfully an IDA user and owns that asset, they typically now feel they have a relationship with that bank, so they want to stay with that bank.

Rebecca Allen: Okay. Is the IDA account…will it earn interest as well?

Elizabeth Jennings: It will earn interest, yes. And that also does not count against the public benefit.

Rebecca Allen: Okay. And let me ask you this. Now the interest that it earns - that this account earns - will the individual have to file that as part of their tax return?

Elizabeth Jennings: You know, that is a great question and I have to admit to the line that I do not know the answer to that.

Jane Walstedt: Okay, we'll get your answer...

Woman: Richard?

Woman: ...include it...

Richard Keeling: I don't think so. I think it’s all included in there.

Rebecca Allen: Okay.
Jane Walstedt: We'll make sure the transcript gives you the correct answer.

[Editor’s Note: According to the Internal Revenue Bulletin 1999-44, Rev. Rul. 99–44, page 549, (1) interest earned by an Individual Development Account (IDA) project participant on funds deposited in the participant’s personal account is currently includible in the participant’s gross income under section 61 of the Code; (2) a project participant may exclude, as a gift under section 102, parallel funds paid for a qualified expense of the project participant; and (3) a donor may deduct under section 170 a contribution to a qualified entity for the qualified entity’s IDA project, subject to the limitations of that section. http://www.irs.gov/pub/irs-irbs/irb99-44.pdf]

Rebecca Allen: Okay. Thank you.

Jane Walstedt: Sure.

Elizabeth Jennings: Thanks. That’s a good question. I'm glad I'll learn something from this call.

Jane Walstedt: Thank you. Shannon, do we have another question?

Coordinator: Our next question goes to Elizabeth Goldsmith. Your line is open.

Elizabeth Goldsmith: Hi.


Elizabeth Goldsmith: Hi, I am calling from Florida State in Tallahassee, and this question I believe is for Richard. You mentioned something at the end of your remarks
about a U.S. bond - or am I correct? [Editor’s Note: You can now receive up to $5,000 of U.S. Series I Savings Bonds as part of your income tax refund without setting up a TreasuryDirect® account in advance. For more details, see IRS Form 8888.]

Richard Keeling: Yes, that is correct.

Elizabeth Goldsmith: Could you explain a little more how that works?

Richard Keeling: Sure. This year the U.S. is…you can receive the savings bonds in increments of $50. You have to have a refund. It’s what we call the Series I bond...

Elizabeth Goldsmith: Yes.

Richard Keeling: …this year that you would get. And the minimum is $50, and it can go to a maximum of $5000. It has to be a round number, so you can't say $75.

Elizabeth Goldsmith: Yes.

Richard Keeling: And you just fill in the information. It’s a form very simple to remember - 8888.

Elizabeth Goldsmith: Yes.

Richard Keeling: It’s a really good initial way for savings, and right now the percentage is actually three point - oh, I'm sorry, not three point - three - yes, 3.36% interest. So it’s way and above any of savings account that you have.

Richard Keeling: Yes, and you can look at that...you can find that on irs.gov just by typing in the search word “savings bond,” and you can view a fact sheet.

Elizabeth Goldsmith: Okay, I'll do that. Okay. Thank you.

Jane Walstedt: Richard, when you file your tax return, is there something you can check off to indicate that you - if you’re due a refund--that you want to use part of that to buy a bond?

Richard Keeling: Yes, you have the Form 8888. That’s the form that you go into. And you just...there’s just a few lines to complete. You check the box and state the size of the increments. Like I said it has to be in $50 increments up to $5000.

Jane Walstedt: Do you have to complete a separate form?

Richard Keeling: It’s a separate Form 8888. But it’s a very simple form, and even our volunteers have been trained how to use that.

Jane Walstedt: Do you either download it from the IRS Web site or you obtain it from...

Richard Keeling: When you’re filing the return, it will be just part of the return, whether it’s on...at a free tax prep site or through a paid preparer. I mean they'll just attach this other form. That’s all.

Jane Walstedt: Okay. Shannon, do we have another question?

Coordinator: Our next question goes to Bobbie Gray.

Jane Walstedt: Go ahead, Bobbie.

Bobbie Gray: Oh, yes, I was just letting you know that I am on the line.
Jane Walstedt: Okay.

Bobbie Gray: Someone had a question about the Consumer News, the FDIC Consumer News and how to access it. I was trying to answer the question.

Jane Walstedt: You were on mute, maybe.

Bobbie Gray: Maybe. I didn’t have my phone on mute, I don't know.

Jane Walstedt: Anyway, go ahead.

Bobbie Gray: You pretty much answered it, but you can go to the Web site www.fdic.gov/consumernews, and you can subscribe to receive it electronically or you may get a hard copy.

And then the FDIC recently has a…from the Web site there’s also an online ordering tool. And you can just log in your information there as well and order a copy.

Jane Walstedt: What if you don't have a computer or access?

Bobbie Gray: Oh, I'm sorry. Thank you. You can call 1-877-ASK FDIC and order a copy through our FDIC toll-free number.

Jane Walstedt: Great, okay. Thanks, Bobbie. Shannon, do we have another question?

Coordinator: Our next question goes to Jayson Meline. Your line is open.

Jane Walstedt: Go ahead, Jayson.
Jayson Meline: Yes. Good afternoon. My question is for the gentleman from the IRS. I work with a lot of Hispanic business owners out here in Idaho that are self-employed, but yet after their profit loss Schedule C they are very much low-income. Do they qualify for the Earned Income Tax Credit?

Richard Keeling: Yes. That’s an excellent question. Yes, they do if they meet all the other criteria. But if the income falls within the threshold, yes they will meet it.

Jayson Meline: Very good. Thank you.

Richard Keeling: And I just wanted to plug one other thing. There’s another Web site out there that’s mostly resources for Assets for Independence grantees and partners, but it’s got some valuable information on financial education, EITC, and including fund-raising, et cetera. And that’s www.idaresources.org. And it’s an excellent Web site. I use it all the time just to get general information about anything.

Like I said, since we’re doing this IDA program in Georgia, just to bring me up to speed on IDAs for people with disabilities. They even have a section on that. But it’s a fairly new Web site that was launched in…last year sometime.

Jane Walstedt: Great. Thanks for the tip, Richard.

Richard Keeling: Sure.

Jane Walstedt: Shannon, do we have another question?

Coordinator: This is the last question goes to Diane Childs. Your line is open.

Jane Walstedt: Go ahead, Diane.
Diane Childs: Thank you. I just wanted to clarify, in regard to the IDA, and I think that it was explained that any kind of public benefits would not affect the IDA; however I did hear Nakiea say that she had some trouble with her Social Security benefits. Was that just an anomaly?

Elizabeth Jennings: This is Elizabeth. I can address that question.

Jane Walstedt: Great.

Elizabeth Jennings: So it’s true that the IDA does not impact any federal benefits; however one of the challenges is that just as many of the folks on this line may not have been aware of Individual Development Accounts as an asset-building tool, many people in the local offices of public benefits programs also don't know about Individual Development Accounts and the federal rules that allow them to be excluded as an asset.

So it’s not a challenge that it really does count against your Social Security benefit; it’s a challenge that the person processing her file was not aware of that exclusion and didn't take the proper steps within that to exclude it.

I should clarify that only when the money comes from TANF or AFIA does the IDA fully not count as a resource. So anyone on the call who does receive public benefits, you should ask your IDA provider, do you receive AFIA or TANF money for these IDAs, just to help clarify.

And if you have any issue with this at all, please feel free to contact us at National Disability Institute. Our Web site is www.realeconomicimpact.org, and there are resources on there, and there’s a link to myself, Elizabeth Jennings, or to my colleague D. J. Diamond via the Staff page.

Jane Walstedt: Elizabeth, can you give the…what TANF and AFIA stand for?
Elizabeth Jennings: Sure. TANF is Temporary Aid to Needy Families, and the dollars for IDAs come through the state block grants. AFIA is Assets for Independence Act. And those are grants that an organization can apply for to run an IDA program.

Jane Walstedt: Okay, great. Thanks.

Christopher Button: Elizabeth, this is Chris. There are in addition to those two types of IDAs, there non-federally funded types of IDA programs, correct? And that’s why you were making a distinction between the tax treatment between the federal - i.e. TANF or AFIA IDAs and what other IDA programs might be?

Elizabeth Jennings: Yes. It is possible for there to be an IDA program in your local community that say receives money from an organization or another source of income. And if you don't receive public benefits, you should explore utilizing that IDA program and participating in that matched savings account. However, for those of you on the call that receive some kind of public benefit that you'd like to maintain while you save toward your asset, a federally-funded IDA is really your best option. And to ensure that, you just need to ask your IDA provider, "Do you receive TANF or AFIA dollars?"

Jane Walstedt: Great. Thank you for that clarification. And, Shannon, you said that was the last call. Is that correct or has anybody else...

Coordinator: Yes, at this time there are no further questions.