Taxes 101: Don't Leave Money on the Table!

A Training Curriculum to Educate Current and Former Foster Youth about Filing Taxes

WELCOME

Welcome, and thank you for helping educate young people about filing taxes, an often overlooked yet important independent living skill we all have to learn to do! For current and former foster youth, filing taxes can be a source of extra income. Starting to file while still in foster care or in supportive programming ensures youth are learning to do it right, claiming all the money they are owed, including the California Foster Youth Tax Credit.

OVERVIEW OF THE CURRICULUM

Who is this training designed for? This training curriculum is designed to educate California current and former foster youth ages 18 and older.

How did this training originate and who developed it? The purpose of this training curriculum is to teach young people about filing their state and federal taxes, helping them access all of the money they are owed and avoiding common mistakes. The curriculum was developed by **John Burton Advocates for Youth (JBAY)** after the establishment of the California Foster Youth Tax Credit, which first became available to current and former foster youth ages 18-25 in 2023. The curriculum was vetted and informed by young adults formerly in foster care.

Who can deliver this training? The training can be delivered by anyone—trainers *do not* have to be tax experts. The curriculum is ideal for Independent Living Programs, college campus support programs, housing and service providers, and any other programs or caring adults serving this population.

What time of year should this training be held? The most impactful time to train youth on this curriculum is just prior to tax season in order to help youth gather the materials and information they need to file their taxes and to motivate filing shortly thereafter. However, this curriculum can be delivered at any time throughout the year.

How long is the training? It is recommended the curriculum be split into two sessions, each lasting about 1.5 hours. Timing tips are provided throughout the trainer's guide. Trainers may choose to shorten the training time by removing some of the interactive activities throughout. The curriculum could also be delivered in one three-hour session, however, it may be challenging to keep participants engaged for that long of a period.

Is the curriculum intended to be delivered in-person or virtually? This curriculum can be delivered in person or virtually. If being delivered virtually, consider using your platform's poll function or a program like Mentimeter for the activities, which are noted in the preparation section below, as well as throughout the trainer's guide. Alternatively, using the chat function or unmuting participants to speak, can always be used as a back-up and requires less up front preparation.

How many trainers or support staff are necessary? The number of trainers necessary depends on whether the training is being delivered in person or virtually.

If in person, at least two people are recommended because it allows for alternating presenting, frees someone up to handle individual needs that arise for youth, and makes handling logistics easier, such as providing food, accommodating latecomers, etc.

If virtual, at least two trainers are recommended, along with at least one support staff to assist with Q & A and chat, and technical troubleshooting. If opting to break into multiple breakout rooms for activities (as opposed to holding them together in the main Zoom room), it is recommended to have a facilitator in each room, which would likely require more than three people, depending on the size of your group.

Can this training be coupled with an event to assist youth with filing their taxes? Yes, hosting a three-session series, with the third session being a "self-filing event" or "VITA subsite event" during tax season is recommended. These events are hosted in partnership with a local Volunteer Income Tax Assistance (VITA) site to help youth successfully file their taxes with support from experts. For more information about tax events, view these **slides**.

What exactly does the curriculum cover? The first section consists of four sections, providing an introductory activity, overview of taxes and tax credits, why young adults should file, and how they can avoid owing taxes. The second session consists of three sections, covering preparing for filing taxes, how to file taxes, and what happens after taxes are filed. To see a section-by-section breakdown, refer to page 3 under "Activities Preparation and Supporting Materials."

PREPARING TO DELIVER THE TRAINING

Location & Set-Up:

If in person, one large room that can accommodate your group size will suffice. The room will need slideshow capability and WiFi. Breakout rooms are not necessary, however adequate space for breaking into pairs or small groups for brief discussion is ideal.

If virtual, having enough breakout rooms to accommodate four participants per room is recommended.

PowerPoint Slide Deck for Delivering the Training: Download the slide deck at **https://jbay.org/resources/taxes-101/**. (This is also the link where this trainer's guide can be found). These materials will be updated annually but the link will not change.

Using the Trainer's Guide: Throughout the Trainer's Guide, instructions are provided in **blue font.** Script intended to be read or paraphrased to participants is provided in **black font.** Tips and guidance for delivering the training virtually are noted in **green font.**

Activities Preparation and Supporting Materials: The table on page 3 flags materials that must be printed in advance and activities that may require preparation.

<table>
<tr><th colspan="4">SESSION 1</th></tr>
<tr><th>Sect.</th><th>Topic</th><th>Activities</th><th>Materials or Preparation Needed</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Introductions and Ice Breakers</td><td>1a: Ice Breaker (slide 4)
Full or small group discussion, or peer share.</td><td>Virtual: Consider setting up an open-ended poll that feeds into a word cloud if you have a tool like Mentimeter at your disposal (optional; chat can be used).</td></tr>
<tr><td>1b: Pre-Test (slide 5)
1-question training pre-test to evaluate the group's knowledge prior to the training. The same question will be asked at the end of the training as a post-test.</td><td>The question uses the Confidence/Importance Ruler, a skill in Motivational Interviewing. Here is a YouTube video on using the tool: https://www.youtube.com/watch?v=KeQhprJzeP0
If you would like to track the group's progress, consider printing out the slide for each participant and having people write down their answer, or jot down responses as you go around.
Virtual: Consider setting up a poll for participants to respond to. (optional; chat can be used).</td></tr>
<tr><td>2</td><td>What Are Taxes, Why Should I File Them, and When?</td><td>2a: Check-in Question (slide 13)
Full or small group discussion, or peer share.</td><td>Virtual: Use the chat or unmute.</td></tr>
<tr><td>3</td><td>What Are Tax Credits?</td><td>3a: Check-in Question (slide 18)
Full or small group discussion, or peer share.</td><td>Virtual: Use the chat or unmute.</td></tr>
<tr><td>4</td><td>How Can I Avoid Owing Taxes When I File?</td><td>4a: Video on Completing a W-4 (slide 22)
Show video.</td><td>Available from https://moneyinstructor.com/ at https://www.youtube.com/watch?v=CyxgZuF4SRk (3 minutes, 43 seconds long)
Make sure you have audio capability for showing this video. (If that is not possible, adequate information is provided within the trainer's guide that will allow you to skip the video).</td></tr>
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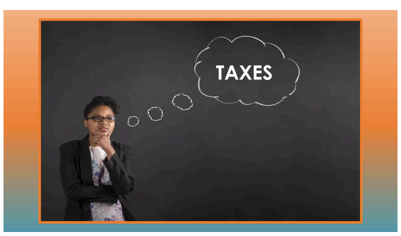
		4b: Check-in Quiz (slide 25) Full group activity.	**Virtual:** Consider setting up a poll or quiz for participants to respond to. (Optional; chat can be used)
SESSION 2			
5	How Do I Prepare to File My Taxes?	**5a: Tax Prep Checklist** (slides 26-27) Small group activity.	Download the checklist at https://jbay.org/resources/tax-prep/. For in-person training, the checklist should be printed for each youth. **Virtual:** You will need a breakout room for no less than every four participants. We recommend having a staff facilitator in each room.
		5b: Debrief (slide 28) Same groups as activity 5a.	**Virtual:** Same breakout rooms as activity 5a.
6	How Do I File My Taxes?	**Live Resource to Share: VITA Roster** (slide 32) Share JBAY's VITA roster on screen/projector.	You should view the roster to familiarize yourself with it ahead of time: https://jbay.org/resources/fy-vita-sites/ Consider identifying whether there is a site near you (or available virtually) to recommend to the group. NOTE: In 2025, SFCASA's VITA site for foster youth will serve youth from any county on a virtual basis. Additionally, The Community College Foundation will serve youth from several Southern CA counties virtually. *See the roster for add'l information.* **Virtual:** Screenshare the VITA roster and provide the link to participants.
		6b: Check-in Question (slide 35) Full or small group discussion, or peer share.	**Virtual:** Use the chat or unmute.
7	What Happens	**Local Resources: Addressing Identity Theft** (slide 38)	We recommend adding a slide or adding to this slide to list any local resources available to current

	After I File My Taxes?	Share local resources.	or former foster youth to resolve identity theft issues. For current foster youth, your county child welfare agency or dependency attorneys should be able to tell you which agency handles this.
		7a: Post-Test (slide 43) 1-question training post-test to evaluate the group's retention of knowledge after the training.	Same instructions as Activity 1b.
		7b: Discussion (slide 44) Full group discussion.	Optionally replace slide 44 with a slide displaying your contact information or anything else you would like to close with. **Virtual:** We recommend unmuting people for this discussion versus using the chat.

GETTING HELP

- **Tax advice:** For individual questions about taxes, the best-equipped individuals to assist are VITA volunteers, which are IRS-certified tax preparers that assist low-income taxpayers for free at VITA sites. This VITA roster can be used to locate a local VITA site: https://jbay.org/resources/fy-vita-sites/.
- **Tax events:** If you're interested in hosting a self-filing or VITA subsite event in partnership with a local VITA site, please refer to the VITA roster to identify a site. If you're having trouble getting in contact with a site, e-mail JBAY for assistance at info@jbay.org. For information on tax events, view these slides.
- **Additional resources from JBAY:** This training curriculum contains several resources on tax filing and the Foster Youth Tax Credit. Additional resources are available on JBAY's website: https://jbay.org/resources/tax-filing-tax-credits-informational-resources/**.**
- **Government resources:** Find Information about federal taxes on the Internal Revenue Services (IRS) website at https://www.irs.gov/**.** Find information about California state taxes on the California Franchise Tax Board (FTB) website at https://www.ftb.ca.gov/.
- **About this curriculum:** Direct questions about the curriculum to info@jbay.org.

The slide-by-slide guide begins on the next page, walking you through the content and activities. We hope your training is a success!

#	Slide Image	Training Content & Materials
SECTION 1: INTRODUCTIONS & ICE BREAKER (suggested time: 25 min)		
1		● Welcome the group ● Introduce trainers ● Provide brief information about why everyone is here today: to learn about why, when, and how to file taxes. ● **Virtual:** Remind participants to enter questions or comments into the chat or Q & A box, or to use the hand raise function if you're choosing to unmute participants throughout for questions.
2		● Review the agenda, providing a rough timeframe.
3		● Have participants introduce themselves in whatever format you feel is best for your group. ● If the group is small enough, consider combining intros with the next slide's ice breaker question.
4		**Activity 1a: Ice Breaker** ● This can be a full group or small group activity, or peer share. ● Find out what your audience already knows: Ask them what they know about tax filing—they may know more than you think! ● Next, ask them where they get their information, who do they tend to turn to? ● **Virtual:** Consider setting up an open-ended poll that feeds into a word cloud if you have a tool like Mentimeter at your disposal (optional; chat can be used).

5	 	**Activity 1b: Pre-Test** ● To evaluate the group’s knowledge prior to the training and afterward, we will ask this question now, as well as at the end of the workshop, using a Confidence/Importance Ruler, a skill in Motivational Interviewing. ● If you would like to track progress, consider printing this out and having people write down their answer, or jot down responses as you go around. ● Here is a YouTube video to help you with using the Confidence/Importance Ruler: https://www.youtube.com/watch?v=KeQhprJzeP0 ● Before we start, let’s do a temperature check. On a scale from 0-10, 0 being not ready or confident yet, and 10 being ready and confident, how do you feel about filing your taxes? ● As participants respond, first allow each person to showcase that they are at least somewhat confident in their abilities, then to encourage them to reach higher. *An example follows:* *“You chose 4. Tell me why you’re a 4 and not a 2 or a 3. What got you there?” After they tell you, follow up with, “what would it take to get you to a 5 or 6?” After they tell you, you may continue to probe with, “what support would you need with that? What information would be helpful?”* ● If anyone is a 10, ask how they became a 10? What steps did they take? Who provided guidance? Ask them to share their knowledge/experience with the group. ● **Virtual:** Consider setting up a poll for participants to respond to, or have them answer in the chat.
SECTION 2: WHAT ARE TAXES, WHY SHOULD I FILE THEM, AND WHEN (suggested time: 25 min)		
6	 	● We’ll start today’s workshop by learning what taxes are, and why and when you should file them.

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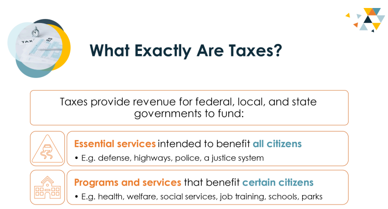
<td>
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Taxes provide money for the federal, local, and state government to pay for things.
Some of what taxes fund benefit everyone—these are considered essential services (e.g. the military, highways, the police, our justice system).
Some of what taxes fund are programs and services that benefit certain citizens that may not be able to access them otherwise (e.g. healthcare, welfare, social services, job training, schools and parks).
You may be most familiar with sales tax—it's that extra money you pay when you buy something.
There are also property taxes if we own a home; and if we work, we pay income taxes. Put simply, most everyone pays taxes.

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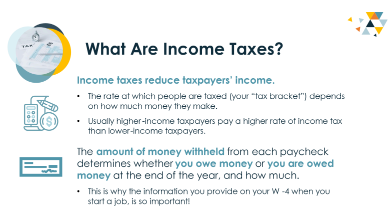
<td>
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Today we're going to talk about income taxes because these are the taxes people "file" each year.
Everyone needs to learn about taxes and how to file them because even if you choose not to file now, once you make a certain amount of money, you will be REQUIRED to file each year or you can get in trouble with the Internal Revenue Service (IRS).
Income taxes are taken out of your paycheck:

The rate at which people are taxed (your "tax bracket") depends on how much money they make.
Usually higher-income taxpayers pay a higher rate of income tax than lower-income taxpayers.

The amount of money withheld from each paycheck determines whether you owe money or you are owed money at the end of the year, and how much:

If you have the government take too much out of your paycheck for taxes, they will likely owe you money when you file.
If you have them take out too little, you will likely owe the government when you file.

This is why the information you provide on your W-4 when you start a job, is so important!
The good news is that most of you will not owe taxes at this point in your life if you fill out your W-4 correctly; most of you will get a refund. In 2025, just 5% of current and former foster youth ages

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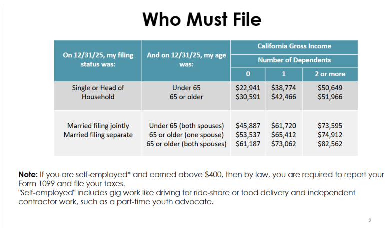
<tr><td></td><td></td><td>18-25 who filed with a tax assistance site for foster youth, owed federal or state taxes.</td></tr>
<tr><td>9</td><td>
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- The table on the slide shows who is legally required to file their taxes.
- The left hand column is your filing status. Most young adults will file as single because most are not married.
- The next column is your age—you are all under age 65.
- The right hand columns is your income during the tax year.
- So, if you're filing single, you're under age 65, have no dependents, and you earned at least $22,941 last year, that means you are legally required to file taxes. If you earned less, you are not required to file.
- If you're married and you're filing a joint tax return with your spouse, then refer to row two. Together with your spouse, you'd be required to file, if together, you earned at least $45,887.
- If you are a custodial parent and you're single, you will probably file as "head of household," which means you provided more than half of your child's support during the tax year. If this is the case, then you'd be required to file if you made at least $42,466. (row 7)
- Please note that if you are self-employed* and earned above $400, then by law, you are required to report your Form 1099 and file your taxes.
- "Self-employed" includes gig work like driving for ride-share or food delivery and independent contractor work, such as a part-time youth advocate.

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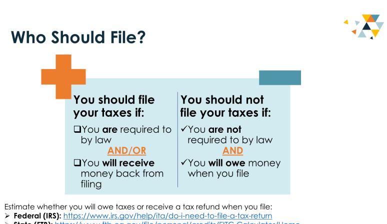
<tr><td>10</td><td>
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- So know we know who is *required* to file, but who all *should* file?
- To start, you should file your taxes if you are legally required to.
- If you aren't legally required to file, you should file if you will receive money back from filing.
- You should not file your taxes if you are not required to file AND you will owe money if you file.
- If participants would like to find out if they are likely to owe taxes or receive a refund, have them visit the links on the slide (also shared below). Optionally consider demoing one of these tools so participants can see how it works—enter an age that is between 18-25 and an income below the minimum filing threshold to

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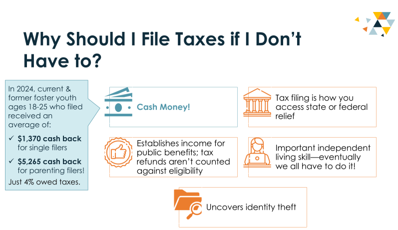
<tr><td></td><td></td><td>provide an example of a person who is not required to file, but would likely receive a return.
Federal (IRS) - this is a link to determine whether a person is required to file, however it will also estimate whether they will likely owe or receive a refund (https://www.irs.gov/help/ita/do-i-need-to-file-a-tax-return)
State (FTB) - this is the CalEITC calculator. It will determine whether the person is likely to be eligible and receive the CalEITC, the YCTC and/or the FYTC, indicating they would likely get a refund (https://www.ftb.ca.gov/file/personal/credits/EITC-Calculator/Home)</td></tr>
<tr><td>11</td><td>
</td><td>Let's talk about the benefits of filing your taxes.
The first one is the biggest reason: You may receive money back from tax credits! When you file your taxes, you have an opportunity to claim tax credits if you're eligible for them. The state and federal governments have tax credit programs that use tax filing to get money into the pockets of individuals that earn below a certain income. You may have heard about some of these, but if not, don't worry. We'll cover them shortly. <u>In 2025, on average, single youth who filed at foster youth-specific tax assistance sites received back an average of $1,857 from filing, and parenting youth an average of $4,008!</u>
Filing taxes establishes official income for the determination of public benefits: Public benefit programs, such as CalWORKs, CalFresh and other means-tested programs require an individual to provide their annual income, to determine eligibility. This is challenging when an individual has no proof of annual income. Additionally, receipt of unemployment requires proof of wages. Filing taxes ensures that you can provide documentation of your annual income and gain access to these public benefit programs if you need them.
Another good thing to know is that the money you get back from filing does not impact eligibility for mainstream public benefit programs: Recent years have seen a heightened interest in guaranteed income programs. The income received from these programs can jeopardize eligibility for public benefits because unless a waiver has been granted. The income gained from tax filing, however, <u>does not</u> pose the same challenge. Public benefit programs have clearly established policies about how to treat income from tax returns, specifically tax credits.</td></tr>
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- **Tax filing is an important yet often overlooked independent living skill:** Tax filing is an activity that is conducted throughout the entire working life of an adult, which is on average over 40 years. By learning how to file correctly now, you’re setting yourself up for healthy financial practices in the long-term.
- **Lastly, filing your taxes may uncover identity theft:** Did you know that young people in foster care are more likely to have identity theft than those from the general population? For example, sometimes former foster parents have fraudulently continued to claim their former foster child on their taxes despite no longer supporting them. Filing taxes helps you uncover identity theft and tax fraud, and its best for this to happen when you still have support for resolving the issue. If you’re currently in foster care (including extended foster care), the county is required to assist you with resolving credit issues. We’ll talk more about this at the next workshop.

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- Every tax season begins mid-January.
- Let’s dispel a myth. Has anyone heard about the April tax deadline? Or “Tax Day?” Most people think that you must file by mid-April. This is actually only true for people who end up owing money. If you owe taxes you must pay by the April deadline. If you do not owe, you actually have until mid-October to file your taxes.
- But filing earlier is always better, particularly if you are unsure of whether you will owe. If you do owe taxes and you pay after the April deadline, you will have financial penalties unless you request an extension.

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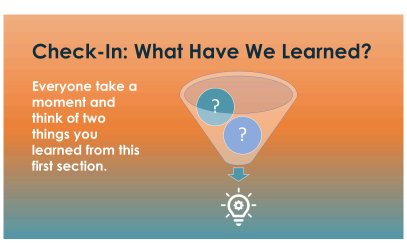

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Activity 2a: Check-in Question

- To keep youth engaged and reinforce knowledge, ask everyone to share two things they learned from this section.
- If you have a large group, this can be done via a peer share or small group.
- **Virtual:** Have participants enter into the chat or unmute them.

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SECTION 3: WHAT ARE TAX CREDITS? (suggested time: 15 min)

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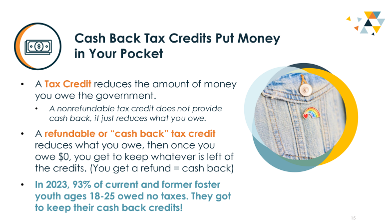
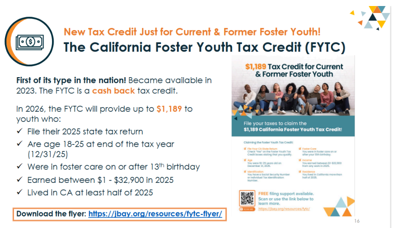
14		Next we're going to talk about tax credits.
15		● A tax credit reduces the amount of money you owe the government. ● There are two common types of tax credits: 1) Non-refundable tax credits: These don't provide you cash back, they just reduce what you owe, if you owe anything. 2) Refundable tax credits: Also called "cash back" tax credits. These first reduce what you owe, then once you owe $0, you get to keep whatever is left of the credits. (You get a refund = cash back). ● Example of a refundable tax credit: You owe $500, but you get a refundable tax credit of $1,000. This means it cancels out the $500 you owe, then you still have $500 left that is provided to you by the government. This $500 is your tax return. ● In some cases, you won't have enough credits to cancel out what you owe, and you will end up owing the government. This is uncommon for current and former foster youth ages 18-25, however it does happen to about 5%, so there is a chance that some of you may owe. ● Why would someone owe taxes? ● The most common reason current and former foster youth ages 18-25 owe taxes are: 1) **W-4 filled out wrong:** They did not fill out their W-4 correctly so they didn't have enough taxes taken out of their paychecks throughout the year. You just learned about filling out the W-4 from that video, so hopefully that is not the case for any of you moving forward. 2) **Self-employment/gig work income:** When you are self-employed, no taxes are automatically taken our of your paycheck. That's why for these young people, it's important that you put money away each year to pay taxes because its not coming out of your paycheck. 3) **Financial aid:** They received a substantial amount of financial aid for college, and used that financial aid for non-qualified

		expenses, meaning that portion of the aid became taxable. This is something that can be avoided by ensuring your financial aid is spent on qualified expenses, which we'll cover a bit later.
16		● Let's talk about the California Foster Youth Tax Credit. ● This is one of the main reasons that current and former foster youth are getting nice-sized tax returns when they file. ● The Foster Youth Tax Credit was established in 2022 and first became available in 2023. It's the first tax credit specifically for current and former foster youth. ● It is a refundable or "cash back" tax credit, so remember, this means that once anything taxes you owe are covered, you get to keep any money remaining from that credit. And for most people, they are receiving the entire credit amount. ● The flyer there on the screen is available to you—please help get the word out. ● In the 2026 tax season the FYTC is providing up to $1,189 to youth who: o File their 2025 state tax return because this is a STATE tax credit. o Were age 18-25 at the end of the tax year, which for the current tax season would be last December 31st (2025). o Were in foster care for at least one day after turning 13 years old. o Earned at least $1 but not more than $32,900 in the tax year, which is 2025. o Lived in California for at least half of 2025. ● If you're talking to a group that is eligible for this credit based on age and foster care status (ILP class, NextUp, in extended foster care, in THP-Plus, etc.), it is recommended to be really clear—let them know that if they earned at least a dollar in 2025, they are likely to be eligible, as long as no one is claiming them as a dependent on their taxes, such as a former foster parent/caregiver, birth parent or other relative. (If they are being claimed erroneously, this is tax fraud, and they should address this, which is discussed in the final section of this curriculum)

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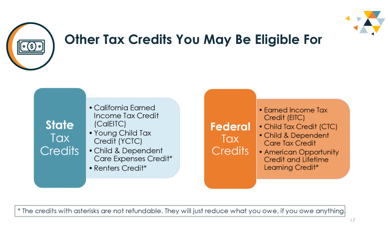
<td>
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In addition to the Foster Youth Tax Credit, when you file, you may be eligible for other tax credits. Some of the more common ones are listed on the slide.
The ones with asterisks next to them are not refundable, meaning they will just reduce what you owe if you owe anything, and ones without asterisks are refundable/cash-back credits, meaning you may receive cash back.
As you can see, there are state and federal earned income tax credits. These are credits designed for workers, meaning you must have earned money over the tax year to be eligible. The Foster Youth Tax Credit is a program under the California Earned Income Tax Credit, and so that is why you must have earned income to claim the Foster Youth Tax Credit.
You’ll see that there are also both state and federal tax credits for people with children, and then on the state side there is a renter’s credit for people who rent, and on the federal side, there are tax credits for people who receive educational financial aid.
There are also other types of credits, but these are the most common.

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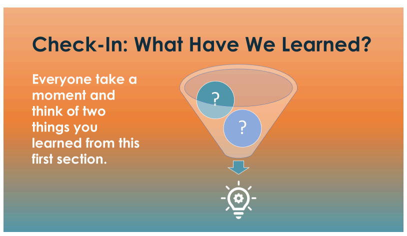
<td>
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Activity 3a: Check-in Question

To keep youth engaged and reinforce knowledge, ask everyone to share two things they learned from this section.
If you have a large group, this can be done via a peer share or small group.
Virtual: Have participants enter into the chat or unmute them.

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<td colspan="3">SECTION 4: HOW CAN I AVOID OWING TAXES WHEN I FILE? (suggested time: 25 min)</td>
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Next we’ll cover how to avoid owing taxes when you file.

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- Current and former foster youth ages 18-25 usually don't owe taxes, but a small number will.
- If you do owe taxes, both the IRS and CA Franchise Tax Board have ways in which you can develop a payment plan.
- There are three common reasons you might owe taxes when you file:
1) You made a mistake on your W-4 or didn't update it when your tax situation changed.
2) You were self-employed (independent contractor, gig work).
3) You spent your financial aid on what are called non-qualified expenses.
- Some of these things can be avoided; others cannot. Let's talk about each of these situations.

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- Every time you start a new job, unless you are self-employed, you need to complete a W-4 so your employer can withhold the correct federal income from your pay.
- It's important that you fill the form out correctly, and that you update the form any time your tax situation changes, such as if you get married or have a child. For example, if you are a parent and you incorrectly list the number of children you have, this can impact how much money is withheld from your paycheck for taxes. If too much is withheld, you will likely be owed money by the government when you file your taxes. If too little is withheld, you will likely owe the government money when you file your taxes.

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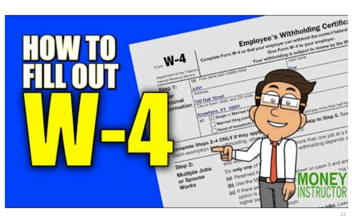
<td>
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Activity 4a: Video on completing a W-4

- Announce that you'll be sharing a video on how to complete the W-4 that will help reinforce what you just shared.
- Show video by clicking next; the PPT automation should start the video.
- Provide an opportunity for a brief discussion after the video.

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- This slide discusses self-employment or "gig work." If you are leading this workshop for youth who get paid as independent contractors, we recommend ensuring they understand the information before proceeding.
- (Reminder: Many organizations that have youth boards or youth advocate programs or other similar arrangements often pay these individuals as independent contractors, meaning this slide pertains to them)

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When you are self-employed (which includes gig work such as Uber/Lyft, UberEats, DoorDash, etc.), no taxes are taken out of your paycheck to pay the government.
You will likely owe taxes if you file because you haven’t been paying them throughout the year.
For those of you who are self-employed and required to pay taxes, try to put about 30% of each paycheck aside in a savings account.

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Is anyone here a college student or in any sort of postsecondary training? (If hosting for college students, you won’t need to ask this question, and should consider spending some extra time on this topic)
This slide addresses how to avoid owing taxes on your financial aid.
Certain financial aid is taxable, unless it is spent on what are called “qualified education expenses.”
This means that whenever humanly possible, try to spend your financial aid on qualified expenses, and, save your receipts for those expenses so you can track your spending and report it when filing your taxes.
Qualified expenses are tuition and fees, and any course-related expenses or equipment. This could be books, supplies like paper/pencils/etc, laptops, and computer software. The key is that the items are required for the course(s) you’re taking.
Non-qualified expenses are room and board, which includes rent, dorm cost, cafeteria food cards, student health fees, any supplies or equipment not required for a course, travel, and clerical help.
You can reassure any students that the important thing is spending financial aid on qualified expenses and keeping the receipts throughout the year. They do not need to worry about the process of filling out tax forms on this topic. This is because we recommend visiting a VITA site for any youth with financial aid expenses, instead of trying to self-file on their own. However, if they are determined to self-file, we have developed this tool to help sort out educational expenses. (See worksheet 2, Education Expenses)

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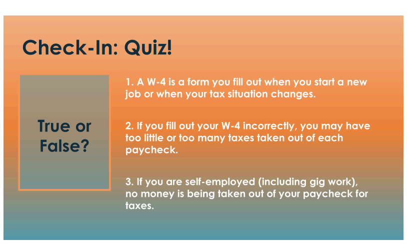

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Activity 4b: Check-in Quiz

Let’s have a quick three-question quiz to see what we learned.
Ask the three questions on the slide and have participants call out whether they think the answer is true or false.

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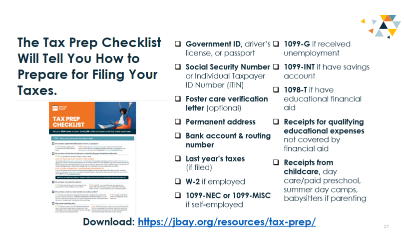
		● All three answers are true. Celebrate what will hopefully be several correct responses. If anyone is confused about the answer, revisit that section to review. ● Before closing this first session, ask if anyone has questions about the content covered so far. ● This concludes session 1. ● **Virtual:** Consider setting up a poll or quiz for participants to respond to, or use the chat.
SECTION 5: HOW DO I PREPARE TO FILE MY TAXES? (suggested time: 30 min)		
26	 	**Activity 5a: Tax Prep Checklist** ● Break participants into groups of no more than 4 people. ● Each person should have a print-out of the Tax Prep Checklist. ● **Virtual:** Participants should be assigned to breakout rooms for this, each with a staff facilitator. Make sure everyone has a link to the Tax Prep Checklist. If that is not possible, you can also screenshare the document in each breakout room.
27	 	**Activity 5a, continued** ● This activity should take about 30 minutes, with the last five minutes spent on the next slide to debrief. ● Have the group review the checklist, reading each item aloud, alternating the reader so that participants stay engaged (i.e. participant 1 reads the first item, participant 2 reads the second item, and so on). ● Instruct participants to check the boxes of the items they have (or items they are certain they have access to—for example you may not have your Social Security card on you, but you know of its whereabouts or you've memorized your SSN). ● For the items participants do not have, they should circle the checkbox. Make sure that for any items participants don't have, they understand from the instructions how to obtain them. ● For items that do not apply to a participant, they can place an "x" in the box. (For example, if the participant did not work as a contractor, freelancer or self-employed, a 1099 form is not applicable).

		● **Virtual:** Participants should jot down a list of the items they must take steps to obtain, since they won't have a copy of the Tax Prep Checklist printed out.
28		**Activity 5b: Debrief** ● In the last five minutes, have each group share out with one another by answering these questions. ● We recommend offering participants the option of coming to you after the workshop to discuss any items they feel they need help obtaining. ● **Virtual:** Same breakout rooms as activity 5a. Participants should go around and each answer these questions.
SECTION 6: HOW DO I FILE MY TAXES? (suggested time: 20 min)		
29		● Now let's talk about the three main ways you can file your taxes.
30		**Option 1 - Self-Filing** ● The most common way that young adults file who have received the Foster Youth Tax Credit is by self-filing. Self-filing occurs online, and if you make under $84,000, you can self-file for free using myfreetaxes.org. **Option 2 - VITA Site** ● Another way to file for free is to file through a Volunteer Income Tax Assistance Site, or "VITA Site." These sites are staffed with IRS-certified volunteer tax preparers who provide one-on-one assistance and file your taxes. **Option 3 - Paid Preparer** ● A third way to file is with a paid tax preparer. We strongly recommend against this and will share more about that in a moment. ● If you plan to host a third workshop session as a tax event, this is a good place to talk about the logistics of the event—what to expect the day-of.

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- As shared, you can self-file online for free at myfreetaxes.org. JBAY makes a self-filing guide available that walks you through this process screen by screen (https://jbay.org/resources/self-filing-guide/)
- You can also choose to self-file using Turbo Tax or other online platforms, but be aware that these programs generally cost money. Turbo Tax does have a free version, however it is limited in function. For example, if you have self-employment income you can't use it because it won't accept 1099 forms.

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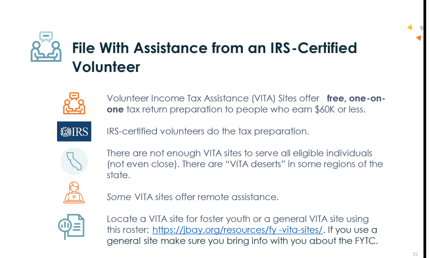
<td>
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- Volunteer Income Tax Assistance (VITA) Sites offer free, one-on-one tax return preparation to people who earn $69K or less.
- IRS-certified volunteers do the tax preparation.
- Some VITA sites offer remote assistance.
- There are not enough VITA sites to serve all eligible individuals, and there are what are called "VITA deserts" in some regions of the state.
- However, there are a handful of sites in the Bay Area and LA that exclusively serve current and former foster youth. And some of them will assist youth in other counties on a virtual basis.
- We suggest pulling up the VITA roster to show participants what it looks like and how to find a site: https://jbay.org/resources/fy-vita-sites/
- Consider identifying whether there is a site near you (or available virtually) to recommend to the group. NOTE: In 2025, SFCASA's VITA site for foster youth will serve youth from any county on a virtual basis. Additionally, The Community College Foundation will serve youth from several Southern CA counties virtually. *See the roster for add'l information.*
- Important: If you use a general site, make sure you bring info with you about the FYTC: *https://jbay.org/resources/fytc-info-for-tax-preparers/*
- **Virtual:** Screenshare the VITA roster and provide the link to participants.

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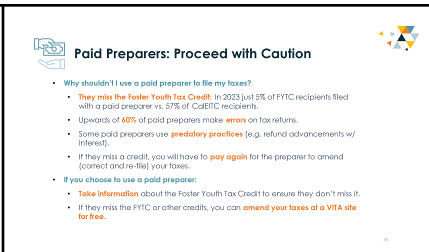
<td>
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Let's talk about paid tax preparers. We strongly recommend against choosing this option.
First, it costs money. If you would like assistance from a tax preparer we suggest visiting a VITA site either in person or virtually, and getting assistance from a tax preparer for free.
Second, most paid tax preparers miss the Foster Youth Tax Credit. They are also very error prone. Usually "you get what you pay for" is a pretty accurate statement, but in this case it is not. Even though you pay paid tax preparers and VITA tax preparers work for free, VITA tax preparers are significantly less likely to make errors on your taxes. Data show that upwards of 60% of paid preparers make errors on tax returns.
Third, some paid preparers (not all) use predatory practices, such as refund advancements with interest where you end up giving them close to your whole tax refund instead of keeping it for yourself.
Lastly, if a paid preparers makes a mistake such as missing the Foster Youth Tax Credit and you want to amend your taxes, they will likely charge you again for the amendment.
If you do choose to use a paid preparer, we strongly recommend taking information with you about the Foster Youth Tax Credit to make sure they know about it and know how to claim it. JBAY makes a one-pager available for this purpose (https://jbay.org/resources/fytc-info-for-tax-preparers/)
Additionally, if you use a paid preparer and they do make a mistake, we recommend visiting a VITA site to amend your taxes instead of going back to the paid preparer.

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Self-Filing may be right for you if:

You've filed before
You're pretty good at doing things independently and following written guidance
Your tax situation is pretty simple (no self-employment/gig work, no financial aid, no known identify theft)

Filing at a VITA site may be right for you if:

You're experiencing identity theft/you're a victim of tax fraud
You have a complicated tax situation (e.g. have self-employment/gig work income, you have educational financial aid, etc.)

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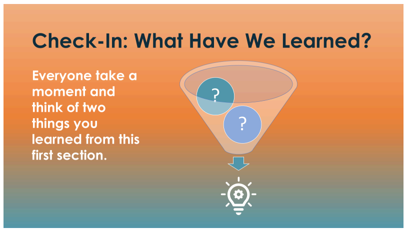
		● You're really nervous about filing and want one-on-one support
35		**Activity 6a: Check-in Question** ● To keep youth engaged and reinforce knowledge, ask everyone to share two things they learned from this section. ● If you have a large group, this can be done via a peer share or small group. ● **Virtual:** Have participants enter into the chat or unmute them.
SECTION 7: WHAT HAPPENS AFTER I FILE MY TAXES? (suggested time: 40 min, inclu. final discussion)		
36		● And the last section discusses what happens after you file your taxes.
37		● Although it is not super common, there are cases where filing your taxes may uncover identity theft or tax fraud. ● The most common type of tax fraud we see among youth with foster care experience is that someone is claiming them on their tax return that shouldn't be. ● Identity theft is commonly when someone steals your social security number to try to claim your tax credits and direct them to their bank account. ● We'll talk in a moment about what to do if this happens to you, but first let's talk about the dependent issue. ● When you're a minor, or you're under age 24 and a full-time student, if you live in a resource family home (i.e. foster, relative, etc.), you are most likely being claimed on your resource parent(s) tax return, which is generally correct, as long as they are providing more than half of your financial support for 6 months or more during the tax year. ● But if you move out they shouldn't be claiming you for a tax year where you weren't living with them. Again, the key is you have had to live with them for 6 months or more for them to claim you. ● If you are unsure, you should contact your previous caregiver and ask if they are going to claim you. If you need assistance, you

should ask your Social Worker, Probation Officer or dependency attorney for assistance.

- Or, if you live with someone but they are not providing more than half of your financial support, they shouldn't be claiming you as a dependent.

Below is a table for your reference, that provides more information for any youth who have questions or want to discuss their specific situation. If you aren't comfortable discussing with them or don't quite feel you have enough information, you can always refer them to a VITA site to speak with a tax expert at a later date.

Req't	**Qualifying "Child"** *Son, daughter, stepchild, eligible foster child, sibling, half-sibling, stepsibling, adopted child or the child of one of the above listed individuals.*	**Qualifying "Relative"** *Someone who meets the requirements below and is not a "qualifying child."*
Age	As of the end of the tax year, the dependent must be under 19 or under 24 if a full-time student and must be younger than the taxpayer(s) claiming them. Dependent may be any age if permanently and totally disabled.	Can be any age.
Financial Support & Income	Taxpayer(s) claiming must have provided more than half of the financial support of the dependent during the tax year.	Taxpayer(s) claiming must have provided more than half of the financial support of the dependent during the tax year. The dependent's gross income must be less than $4,700 for the tax year.
Residency	Dependent must have lived with the taxpayer(s) claiming them for more than half the tax year.	Dependent must have lived with the taxpayer(s) as a member of the household for all of the tax year.

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<td>*See IRS guidance here for more information:*
https://www.irs.gov/credits-deductions/individuals/dependents</td>
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● Most of you will not experience identity theft or tax fraud, but there is a chance that some of you will. If this happens to you, don’t worry there are things you can do to resolve it.

● First, you can ask your child welfare agency for help. If you’re a current foster youth, meaning you haven’t yet turned 21 or exited foster care, you can ask your social worker or dependency attorney to help you resolve the issue. Your county is required to assist you with resolving identity theft so they will have an organization that handles this.

● If you are a former foster youth, you can still ask your county child welfare agency for help and see if they can refer you to the organization they use to resolve identity theft and credit issues. If that is not an option, you can visit or contact a legal aid organization and request assistance. There are two options on the slide for this.

● We recommend adding a slide or adding to this slide to list any local resources available to current or former foster youth to resolve identity theft issues. For current foster youth, your county child welfare agency or dependency attorneys should be able to tell you which agency handles this.

● More information on identity theft from the IRS: https://www.irs.gov/identity-theft-central
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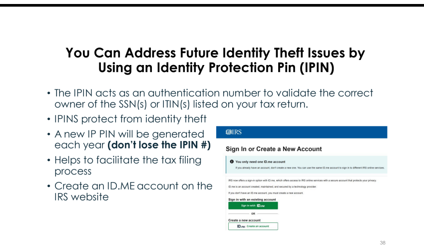
<td>
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● If you have a history of identity theft, you want to create what’s called an Identity Protection Pin (IP PIN) with the IRS. It acts as an authentication number to validate your Social Security Number or Individual Tax Identification Number on your tax return.

● You will receive a new IP PIN each year. This helps with the tax filing process and you can also use it to check the status on your tax return.
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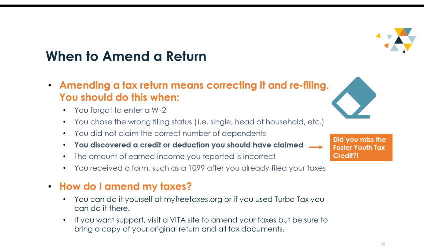
<td>
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● “Amending” your tax return means correcting it and re-filing. Some people also refer to this process as “filing an amendment.”

● Some of the common reasons for amending your taxes are:

o You forgot to enter a W-2 from a job.
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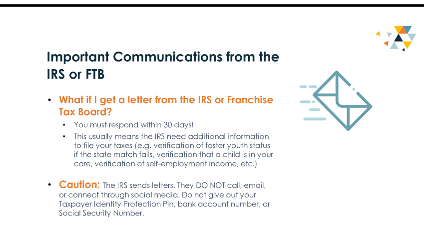
		o You chose the wrong filing status (i.e. single, head of household, etc.) o You did not claim the correct number of dependents (e.g. you have two children you support but you only claimed one) o You discovered a credit or deduction you should have claimed, such as the Foster Youth Tax Credit. o The amount of earned income you reported is incorrect. o You received a form after you already filed (e.g. a 1099 from a contract job or gig) ● If you end up needing to amend your taxes, you can usually do it the same way you filed. o So if you self-filed using myfreetaxes.org, you can also file an amendment there. Most other self-filing platforms will also allow this. o If you had your taxes filed at a VITA site, revisit that VITA or make another appointment so they can help you amend your taxes. o Remember, if you went to a paid preparer, be aware, they may charge to do an amended return. ● If you amend your taxes somewhere other than where you originally filed, make sure you bring a copy of your tax return with you along with all of the documents you needed when you originally filed.
41		● So what happens if you get a letter from the Internal Revenue Service (IRS) or the California Franchise Tax Board (FTB)? These are the federal and state departments that collect our taxes. ● Make sure you respond to the letter within 30 days. ● Usually they contact you because they need additional information to file your taxes. For example, if they are unable to verify your foster youth status at the state level, to claim the Foster Youth Tax Credit, and you did not upload your verification letter when you filed, they will ask you to mail them a copy of that letter.

		● It is very important to know that the IRS and the FTB will only contact you via mail. They will not call you or email you. We all know there are a lot of scams out there. So if you get an email or phone call from someone saying they are the IRS and they need your social security number, for example, what should the answer be? (Hopefully participants will yell out "no") ● If you do receive a letter from either agency and are unsure what it is asking you, you can ask people for guidance. If you filed at a VITA site, you can reach back out to the site to ask for some help figuring out how to proceed. You also can ask for guidance from your current or former social worker, probation officer, dependency attorney, CASA, housing or ILP case manager.
42		● One of the most common questions VITA sites get after people file is "When will I receive my refund?" ● Luckily you don't need to call anyone to find this out. You can check yourself online using the links on the screen. ● If you e-file, which most of you will, you will receive your refund within 3 weeks; even quicker if you select direct deposit (as opposed to waiting for a check). ● If you paper file, it will take 6-8 weeks to receive your refund. ● Before we close, let's remember that although we only file taxes once a year, the actions we take throughout the year impact whether we get a tax refund, and how easy it will be for us to file next time. ● A few key tips are to: o Save your documents as you receive them, leading up to tax season. Create an electronic folder where you can save tax documents that are sent to you or that you go into an account to download. And create a hard copy paper folder for any tax documents you receive in the mail. o Save your receipts that show you've spent your financial aid on qualified expenses, track your self-employment expenses and child care expenses if you have them.

		o Keep records of 5 years of tax returns. Stick them in that folder you made for your tax forms.
43		**Activity 7a: Post-Test** ● This is the same activity as the one we did in the beginning of the workshop, except it will gauge where participants are in terms of knowledge and comfort with tax filing now that they've received this training. ● Now that you've completed this workshop, let's do a temperature check. On a scale from 0-10, 0 being not ready or confident yet, and 10 being ready and confident, how do you feel about filing your taxes? ● As participants respond, first allow each person to showcase that they are at least somewhat confident in their abilities, then to encourage them to reach higher. *An example follows:* *"You chose 4. Tell me why you're a 4 and not a 2 or a 3. What got you there?" After they tell you, follow up with, "what would it take to get you to a 5 or 6?" After they tell you, you may continue to probe with, "what support would you need with that? What additional information would be helpful?"* ● If anyone is a 10, ask how they became a 10—what information in this workshop was most helpful? Do they plan to share their knowledge with peers/friends/family? ● **Virtual:** Consider setting up a poll for participants to respond to, or have them answer in the chat.
44		**Activity 7b: Discussion** ● Feel free to replace this slide with your contact information or anything else you would like to share with participants before closing. ● Using the time remaining, launch a discussion either by using the prompts below, or by letting any natural discussion stemming from the last activity continue: ○ Does anyone have any outstanding questions, or anything you want to revisit? ○ Is there anything you're going to do differently throughout the year after participating in this workshop? ○ What's one thing you learned that you can teach someone else?

		● **Virtual:** We recommend unmuting people for this discussion versus using the chat.
45		● Here’s where you close in any way you see fit!