

American Recovery and Reinvestment Act of 2009



Benefits for Employees and the Unemployed

- ☆ In 2009 and 2010 workers will receive a tax credit equal to 6.2% of their earned income, up to \$400 for individuals and up to \$800 for married couples. If you receive Social Security, SSI, Railroad Retirement or Veteran's Disability Compensation, you'll receive a \$250 credit.
- ☆ Unemployment benefits will temporarily increase by \$25 per week. The first \$2,400 received won't be taxed. *(If you receive this benefit you should consult a tax advisor for more information.)*
- ☆ If your state has an unemployment rate over 6.5%, unemployment pay may be extended by as many as 33 weeks, totaling up to 59 weeks of coverage. Normally, unemployment benefits run for only 26 weeks or until you get a new job. Visit www.bls.gov to check your state's unemployment rate.
- ☆ If you're laid off or lose your job between Sept. 1, 2008 and Dec. 31, 2009, and your company provides COBRA (a health benefit provision that allows temporary continuation of your health coverage at group rates), the government will subsidize your premium for nine months. In the past, individuals had to pay 100% of the premiums; under the ARRA, they'll only have to pay 35% of the monthly premium. If you previously declined COBRA benefits at the time of your job loss, or elected COBRA and later discontinued it, you may have another opportunity to elect COBRA coverage and pay a reduced premium. To take advantage of this benefit, contact your past employer or health plan provider.
- ☆ President Obama intends to increase access to Pell Grants and reform the U.S. unemployment system. Currently the system generally requires people collecting unemployment benefits to actively look for work, which can discourage displaced workers from getting an education or additional training that could improve their employment situation. Obama is encouraging states to allow people to keep their unemployment benefits while getting an education, with the help of Pell Grants. If you're interested in taking advantage of this opportunity visit www.opportunity.gov to learn more about your options.

Benefits for First Time Homebuyers

- ☆ If you buy your primary residence between Jan. 1 and Dec. 31, 2009, you can claim a tax credit equal to 10% of the purchase price of your home, up to \$8,000. You won't have to repay the credit as long as the home is maintained as your personal residence for at least three years.
- ☆ To take advantage of this benefit, your adjusted gross income can't exceed \$75,000 per year if you're single or \$150,000 per year if you're married, filing jointly.





Benefits for New Car Buyers

- ☆ If you buy a car in 2009, you can deduct the sales tax on your federal income tax return.
- ☆ For cars that cost more than \$49,500, you can only deduct the sales tax paid on the first \$49,500 of the purchase price.

Benefits For Those In Danger of Losing a Home



Home Affordable Modification Program

- ☆ This program is designed to help homeowners who are dangerously close to foreclosure renegotiate their existing mortgage with a lower rate and more affordable terms.
- ☆ If you're current on your mortgage, but having difficulty making the payments or if you've already missed one or more mortgage payments you may be eligible.
- ☆ To participate, you must have obtained your mortgage before Jan. 1, 2009, have a primary mortgage of less than \$729,500 and live in the property.
- ☆ Complete a short assessment at www.makinghomeaffordable.gov to see if you qualify.
- ☆ If the assessment indicates that you're eligible, contact your bank to see if they'll give you a modification.
- ☆ You'll need to provide tax returns and pay stubs, sign a statement of financial hardship and go for counseling if your total household debt, including auto loans, credit cards and alimony, totals more than 55% of your income.

Home Affordable Refinance Program

- ☆ Gives up to 5 million homeowners with loans owned or guaranteed by Fannie Mae or Freddie Mac an opportunity to refinance into more affordable monthly payments.
- ☆ This program is available for people who aren't in danger of losing their homes, but can't otherwise refinance for a lower mortgage payment because their homes have lost value.
- ☆ Once you've determined that your mortgage is backed by Fannie Mae or Freddie Mac, visit www.makinghomeaffordable.gov to answer a series of questions and assess your eligibility.
- ☆ If it's determined that you may be eligible, you'll be directed to a checklist of information you'll need to gather for speaking to a housing counselor or the servicer of your mortgage.
- ☆ Once you've gathered the necessary information, call your mortgage servicer or lender to ask about the Home Affordable Refinance application process.