What is Paycheck Plus?
Paycheck Plus enhances the current federal EITC for single workers with no dependent children.

It offers a more generous maximum benefit — $2,000 rather than $496 — to workers making up to $18,000. Since participants receive more for earning more, the supplement is expected to promote work.

It extends benefit eligibility to single workers earning close to $30,000, nearly doubling the income cutoff for the federal EITC.

How does it benefit single workers without children?

<table>
<thead>
<tr>
<th>What workers who filed their taxes as single receive under current policy:</th>
<th>2014 Federal EITC for singles</th>
<th>Paycheck Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of dependent children</strong></td>
<td><strong>$6,667</strong></td>
<td><strong>$2,000</strong></td>
</tr>
<tr>
<td><strong>Pre-tax earnings</strong></td>
<td>$13,000</td>
<td>$18,000</td>
</tr>
<tr>
<td><strong>2014 federal EITC</strong></td>
<td>$5,200</td>
<td>$1,500</td>
</tr>
<tr>
<td><strong>Total available</strong></td>
<td>$18,200</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

Current federal EITC primarily benefits low-income workers with dependent children.

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For more information about Paycheck Plus, please visit: [http://www.mdrc.org/paycheckplus](http://www.mdrc.org/paycheckplus)
**Why is there a need for Paycheck Plus?**

<table>
<thead>
<tr>
<th>Earnings</th>
<th>Employment</th>
<th>Inequality</th>
<th>Low-wage work</th>
<th>Work incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>are stagnating or declining among low-wage workers.</td>
<td>rates are falling among less-educated workers, especially men.</td>
<td>is widening as growth in wages and income accumulate at the top.</td>
<td>has fueled job growth since the recession and will continue to grow.</td>
<td>for childless, low-income workers are modest under current policies.</td>
</tr>
</tbody>
</table>

One possible part of the solution

**Make work pay at the low end by creating an EITC-like earnings supplement for single adults.**

**How will Paycheck Plus work?**

1. **Outreach + Recruitment**
   
   Over 6,000 people, with low or no recent earnings, were recruited by the Food Bank for New York City (FBNYC), which runs a network of Volunteer Income Tax Assistance programs.
   
   Half were randomly selected to be in a program group that is eligible for the new supplement; the other half were placed in a control group that will not receive the supplement.

2. **Implementation**
   
   EITC-like supplements will be issued to program group members in 2015, 2016, and 2017 based on their previous year’s earnings. FBNYC will send reminders to the group about the opportunity.

3. **Impact assessment**
   
   MDRC will track both groups to assess the impact of the supplement on economic and social outcomes. Findings will be released in 2017 and 2018.
   
   MDRC is considering an expansion of the study to a second city to make the findings more broadly applicable.

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**Impact on economic outcomes**

- Poverty and hardship
- Work rates and earnings

**Impact on social outcomes**

- Family formation and involvement
- Child support payments
- Public assistance receipt
- Criminal justice involvement
- Overall well-being

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