

# Paycheck Plus

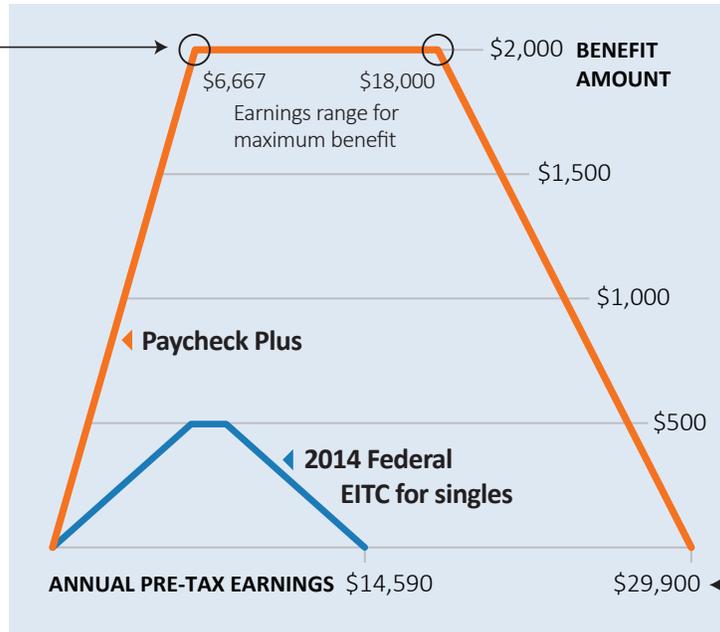
## Making Work Pay for Low-Income Single Adults

A groundbreaking demonstration with the Center for Economic Opportunity in New York City tests the impact of a new work-based earnings supplement, similar to the Earned Income Tax Credit (EITC), on economic and social outcomes for single adults.

### 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.



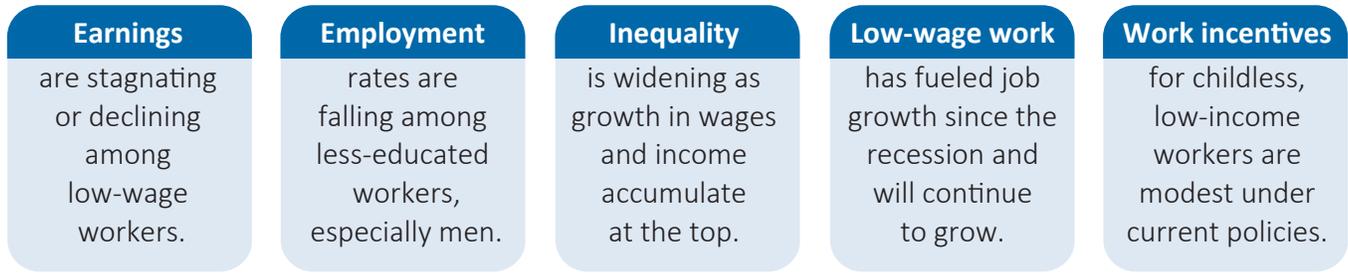
It extends benefit eligibility to single workers earning close to \$30,000, nearly doubling the income cutoff for the federal EITC.

### How does it benefit single workers without children?

What workers who filed their taxes as single receive under current policy:	Two	One	None	What Paycheck Plus does: A single worker without a dependent child receives a modest federal EITC. Paycheck Plus will “top up” the federal credit amount.
Number of dependent children	Two	One	None	
Pre-tax earnings	\$13,000	\$13,000	\$13,000	
2014 federal EITC	\$5,200	\$3,305	\$122	
Total available	\$18,200	\$16,305	\$13,122	
			<b>+ \$ 1,878 ← Paycheck Plus</b>	
			<b>\$15,000 ← Total available</b>	

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

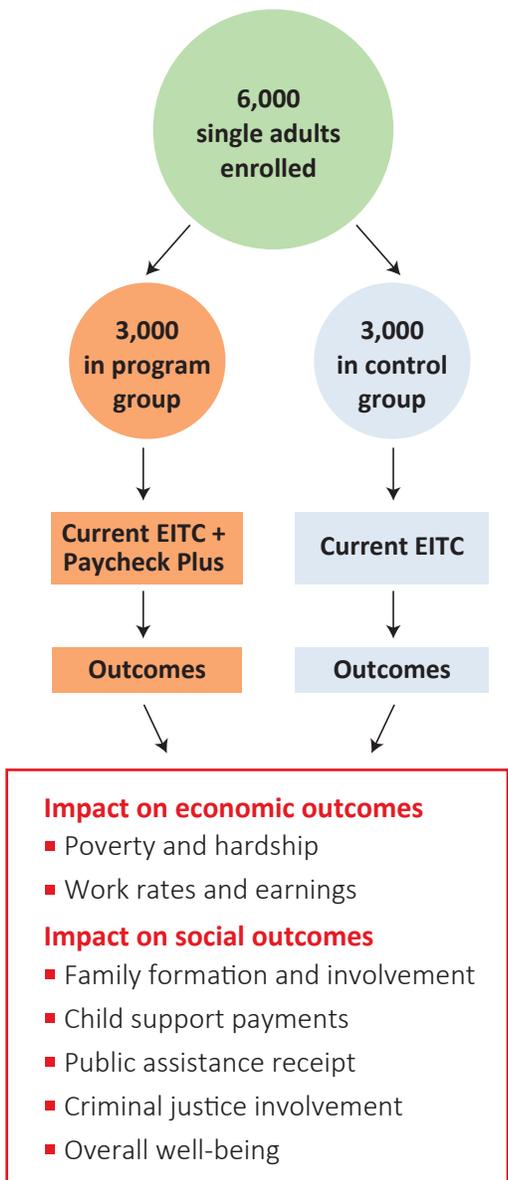
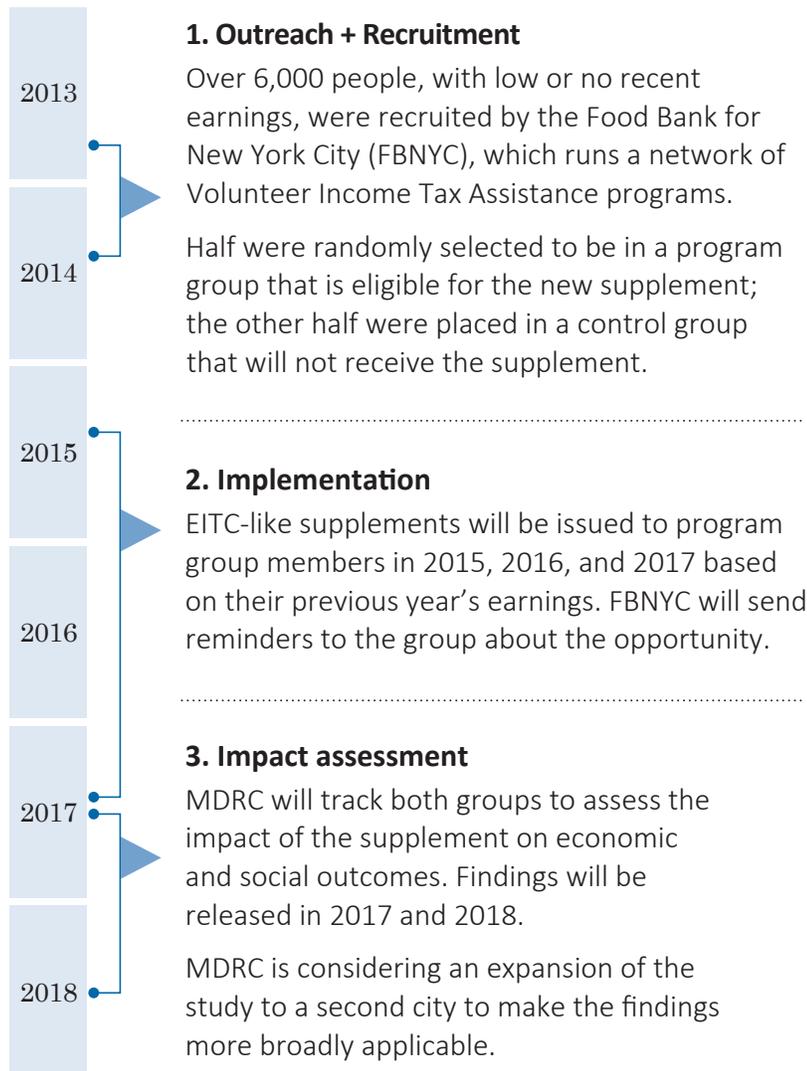
## Why is there a need for Paycheck Plus?



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?



Funding for the project is provided by New York City's Center for Economic Opportunity (CEO) and the Robin Hood Foundation. Additional funding for this brief is also provided by the Laura and John Arnold Foundation.