

# AFSCME

## Retirees Bulletin

### How Does the American Rescue Plan Benefit Retirees?

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The American Rescue Plan Act of 2021, signed into law by President Biden on March 11, 2021, includes significant direct benefits for retirees and support for services and programs that are important to them. This fact sheet describes key parts of the new law.

#### **Are retirees eligible for the new \$1,400 stimulus checks?**

**Yes**, if you are not the dependent of another taxpayer. The American Rescue Plan provides up to **\$1,400 per person**, including your dependents, depending on your income level. This is in addition to the \$600 stimulus checks paid out earlier this year.

#### **What does the new law do to strengthen our communities during the pandemic?**

The new law includes \$350 billion in direct support for the **public services provided by states and local governments and the workers who provide them**. It also provides money to:

- Strengthen **community health care providers**.
- Expand **food assistance, including senior nutrition programs**.
- Keep **libraries and museums** open.
- Support and expand **public transit**.
- Re-open **schools** safely.

#### **How does the new law help retirees get vaccinated?**

The American Rescue Plan gives states money to help them distribute and administer vaccines, including by opening up more vaccination sites. It also provides money to help with transportation to vaccine appointments, as well as vaccine education, outreach and other assistance.

#### **Is there additional help paying for health insurance?**

Yes. Retirees not yet eligible for Medicare can get **extra help when buying individual health insurance coverage through the Affordable Care Act in 2021 and 2022**. Many people will be able to get coverage with low or no monthly premiums. Retirees who lost a job also are eligible for no-premium plans with very low out-of-pocket costs in 2021 if they receive unemployment benefits during any week. Retirees who lost coverage when they lost a job also may be eligible for no-premium coverage under their former employer's plan from April 1 through Sept. 30.



### **How does the new law help protect seniors in nursing homes?**

In addition to supporting expanded vaccine administration and purchases so nursing home residents and staff have access to vaccines, the American Rescue Plan invests in the public services needed to control the spread of COVID-19. This includes money to pay for the creation of **nursing home strike teams in each state**. These strike teams will provide a rapid response when an outbreak occurs in a nursing home. The new law also provides billions of dollars in additional **funding for testing and tracing** so that outbreaks can be quickly identified and stopped, including through frequent testing of nursing home residents and staff.

### **How does the new law help caregivers and the seniors they care for?**

The law expands financial **benefits for working caregivers** and also gives money to states for services that support people in their homes and communities, through state Medicaid programs, including:

- **An increase in the 2021 tax credit that can help with senior care expenses**, to \$4,000 for one dependent, from the usual \$1,050, and an increase in the share of expenses that can be applied to the credit to 50% from the usual 35%.
- **An increase in the 2021 amount a worker can contribute to a tax-free dependent care flexible spending account** that can be used to pay for senior expenses, to \$10,500 from the usual \$5,000.
- Money for states to improve **opportunities for Medicaid beneficiaries to receive services in their own home or community**, instead of moving to a nursing home.

### **Are there benefits for grandparents raising grandchildren?**

Yes. If you are a grandparent raising grandchildren and claim them as your dependents, you are eligible for direct financial support, including:

- **Up to \$1,400 per child in stimulus checks.**
- **Up to \$1,600 extra per child in 2021 child tax credits.**

The extra child tax credit is in addition to the usual \$2,000 tax credit. Similar to the stimulus checks, the additional credit amount depends on your income level. The maximum extra amount is \$1,600 for children under age six and \$1,000 for children six–17 years old. Working grandparents raising grandchildren also may be eligible for bigger benefits to help pay for child care.

Plus, the American Rescue Plan provides K-12 schools with the money and support they need to re-open safely.

### **Does the new law benefit retirees in other ways?**

Yes. There are numerous other ways in which retirees can benefit. These include new help paying housing costs, such as a mortgage, rent or utilities; money to support senior programs in your community; more funding to fight elder abuse; pension protections for certain private pension plans; and more.