

Boyda's Bill Offers Financial Relief to Family Caregivers

Press Release

By: Nancy Boyda

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Congresswoman Nancy Boyda (Kansas Second District), along with several of her colleagues, this morning announced the formation of a new Middle Class Working Group. The coalition unveiled a legislative agenda to help American families prosper.

A majority of adult Americans identify themselves as "middle class." According to a recent Pew Research Center study, 56 percent of the middle class say that, in the past five years, they either haven't moved forward in life, or they've fallen backward. 79 percent say it is more difficult now than 5 years ago to maintain their standard of living. The American middle class is struggling under the financial burdens of a modern lifestyle: caring for aging parents, paying for college, maintaining health insurance, saving for their retirement, and balancing their work and family obligations.

Rep. Boyda said, "It's time we shifted our focus in Washington. We need to talk less about just keeping up and talk more about getting ahead. We need to have a conversation about making real changes that launch Middle Class families on a course toward achieving the American Dream - a dream of providing their families with a brighter future. Washington should be a partner in promoting that kind of opportunity with some common-sense changes."

Boyda's bill, the Elder Care Tax Credit Act addresses a very real problem. As the population ages, more elder care is needed. This labor of love most often falls to a child. Often, one person is responsible for taking care of an elderly parent and their own children at home at the same time. In fact, family members provide the majority of elder care in the U.S. - at a cost of up to \$8,700 per family member each year. One in three caregivers has used their own savings to help with care and a shocking 38% said they were saving less, or not at all, for their children's future. But most adult children don't live with their parents, which makes them ineligible to receive the Dependent Care Tax Credit. In such tough financial times, this burden is too much to ask Americans to shoulder alone.

"My Elder Care Tax Credit Act extends the dependent care tax credit to Americans who provide care for parents and grandparents not living with them, said Boyda. "Congress should have taken this kind of action long ago. Caregivers should be commended, not penalized. We should give all Americans who provide care for parents and grandparents the same tax relief - regardless of where that care takes place."

The Democratic Middle Class Working Group was created to address challenges and craft policies that will help middle class Americans be successful. Rep. Steve Israel (D-NY) is chairman and founder of the working group. Co-chairs include Rep. Boyda, Representatives Melissa Bean (D-IL), Andre Carson (D-IN), Ciro Rodriguez (D-TX), Tim Ryan (D-OH), Carol Shea-Porter (D-NH) and Anthony Weiner (D-NY).

Bills included in the Middle Class Working Group Legislative Agenda:

1. College Tuition Tax Credit

Over the last 10 years, the cost of attending a public university has gone up 80%. Rep. Israel is introducing legislation to provide a non-refundable credit equal to 50% of college costs - including tuition, fees and books - up to \$10,000 (maximum credit of \$5,000 per student per year) for families making up to \$200,000 per year.

2. Elder Care Tax Credit

Approximately two-thirds of the 5.5 million seniors over age 65 who receive long-term care rely exclusively on family, friends and other informal caregivers. Rep. Boyda is introducing legislation to allow use of the Dependent Care Credit for qualified elder care expenses.

3. Public Service Scholarship Act

A dwindling number of young people are heeding the call to government service. Rep. Ryan will introduce the Public Service Scholarship Act, which creates a new scholarship program that will provide 10,000 graduating high school seniors each year with a \$40,000 competitive scholarship in exchange for five years of service in the federal government upon graduation.

4. Double Dependent Care Credit

Rep. Shea-Porter will introduce the Middle Class Dependent Care Fairness Act, extending the Maximum Dependent Care Credit to more middle class families.

5. National Family Caregiver Program Funding/Public Awareness for Long Term Care Planning

Rep. Israel is introducing legislation to increase the budget for NFCP to \$200 million which provides population-based formula grants to state agencies on aging. This legislation will also expand public campaigns to increase awareness of the need for long-term care planning.

6. Health Insurance Stability Act

Rep. Bean is introducing the Health Insurance Stability Act, which would provide an advanceable \$2,000 tax credit for families (\$1,000 for individuals) to help offset the costs of maintaining their health insurance coverage temporarily in between jobs or during a waiting period before new coverage or Medicare kicks in.

7. Retirement Enhancement Act

Rep. Rodriguez will introduce the Retirement Enhancement Act, a bill to create a 3% federal match for 401(k) contributions by workers in the private sector up to a maximum of \$1,000 a year in order to boost the efforts of middle-class families to save for a comfortable retirement.

8. Standardized Home Office Deduction

Rep. Ryan is introducing legislation to simplify a home office deduction. The Standard Home Office Deduction Act provides the option of a standard \$2,500 home office deduction for home-based entrepreneurs who earn more than \$5,000 a year in revenues.

9. Small Business Start-Up Support Act

Rep. Shea-Porter will introduce the Small Business Start-Up Support Act, legislation to double the deduction for small business start-up costs.

10. Family Flexibility Tax Credit

Rep. Bean will introduce the Family Work Flexibility Act of 2008, which provides a \$500 tax credit to employers for each worker they employ that telecommutes, for the employer to purchase and maintain telecommuting equipment, enabling more employees to work from home.

11. Credit Scoring Fairness Act

Rep. Rodriguez will introduce the Credit Score Fairness Act, a bill that would require notice to consumers when their credit score drops more than 25 points, along with an in-depth explanation as to why the score dropped.

12. Financial Literacy Act

Rep. Carson's Financial Literacy Act would establish an annual grant program to pay for curriculum development, teacher training and educational materials. These funds would be available to states that require mandatory financial education curriculum for high school students.

13. Affordable Transportation Savings Act

Rep. Weiner will introduce the Affordable Transportation Savings Act, to allow businesses to create an employee-controlled flexible savings account for the commuting expenses of employees.

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