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Governor Rell: Proposed Legislation Will Prevent Low-Income Residents from Losing State Benefits

Governor M. Jodi Rell has authorized the Department of Social Services to work with the General Assembly to ensure that low-income Connecticut residents do not have to worry about the possibility of losing state-funded benefits when they receive the federal economic stimulus payment this spring.

“We will introduce legislative language to ensure that low-income beneficiaries of state-funded assistance programs are not at risk of losing benefits because of the one-time payment from Washington,” Governor Rell said.

Programs for low-income individuals and families include State-Administered General Assistance (cash and medical aid for single, temporarily unemployable adults), ConnPACE (prescription drug assistance for elders and people with disabilities), and the State Supplement Program (cash aid for low-income elders and people with disabilities).

“Like the federal government, Connecticut needs to make sure that this one-time payment will not cause low-income and vulnerable citizens to be at risk of losing services that help them make ends meet,” Governor Rell said. “With legislative protection, state residents will not lose their eligibility if the federal economic stimulus payment puts them slightly over the income or asset limit on a temporary basis.”

The state measure is designed to mirror the federal government’s determination that federal assistance benefits - including Medicaid, Food Stamps and Temporary Family Assistance - will not be affected by receipt of the one-time payment.

In January, the Governor wrote the Connecticut Congressional delegation to raise concerns about the potential negative impact that federal rebates would have on low-income participants in state assistance programs. Governor Rell urged that federal rebates be excluded from consideration in the determination of eligibility and calculation of assistance for federal benefits such as Food Stamps, Medicaid and TANF.

Governor Rell is also encouraging Connecticut residents to file a federal income tax return in order to ensure they receive their stimulus payments or “rebates” from the United States Treasury. The Governor’s message to file a tax return is particularly targeted to groups that would not otherwise file 2007 federal income tax returns, including some veterans, Social Security beneficiaries, low-income workers and certain railroad retirees.

“Many Connecticut residents are not required to file either a state or federal tax return,” Governor Rell said. “This year, however, it is imperative that you file a federal income tax return. Doing so will ensure that you receive the appropriate rebate from the Treasury if you are eligible.

“We do not want any Connecticut residents eligible for this rebate to be shut out because they did not fill out the necessary paperwork. I have directed several of our state agencies to make sure that residents know what steps they need to take to receive their rebate.”

The Internal Revenue Services (IRS) estimates that more than 130 million households throughout the country will receive stimulus payments beginning in May. A majority of taxpayers are not required to do anything besides file their annual federal income tax return. However, approximately 20 million to 30 million individuals across the country who are eligible for rebates are not required to file federal tax returns, including certain veterans, Social Security beneficiaries, and low-income workers. To receive a rebate, these individuals must file a federal income tax return. **Filing a state income tax return is not necessary.**

The key state agencies working with the IRS are the Departments of Veterans’ Affairs, Social Services, and Revenue Services. The IRS has created a specific web page - Information on Stimulus Payments – on the agency’s web site at www.irs.gov to assist, in particular, individuals who are not required to file. On this web page, individuals can find special instructions for filing a federal 1040A strictly to receive a stimulus payment.

Other resources include free tax help for low- and moderate-income workers, including veterans, through the Volunteer Income Tax Assistance (VITA) program administered by the IRS. Individuals can call 1-800-906-9687 to locate the nearest VITA site. Additionally, the Tax Counseling for the Elderly (TCE) Program provides free tax help to people 60 and older. As part of this program, AARP provides tax-counseling at more than 7,000 sites nationwide. Individuals interested in utilizing this service can call 1-888-227-7669 or visit the AARP website at <http://www.aarp.org/money/taxaide/> for more information.

“There are a number of resources available to help people with the minimal paperwork necessary to file their return,” Governor Rell said. “From now through the April 15th deadline, we will continue to get the word out and reach as many individuals as we can to make sure they not shortchanged.”

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