

— FOR USE BY AARP FOUNDATION TAX-AIDE VOLUNTEERS ONLY —

The following charts can be used to determine who is your qualifying child and who is your qualifying relative for the following income tax purposes:

- Head of household filing status
- Qualifying surviving spouse filing status
- Child tax credit (CTC) (incl. additional CTC)
- Credit for other dependents
- Earned income credit (EIC)
- Education credits
- Child and dependent care credit and exclusion
- Premium tax credit
- Medical expense deduction

Always start with Chart 1, Box 1. If Chart 1 does not apply, you will soon be sent to Chart 2.

If you follow the arrows, you will eventually get to a shaded box that has no arrows leading away from it. At that point, STOP. This box tells you ALL the tax benefits that you can claim based on that person.

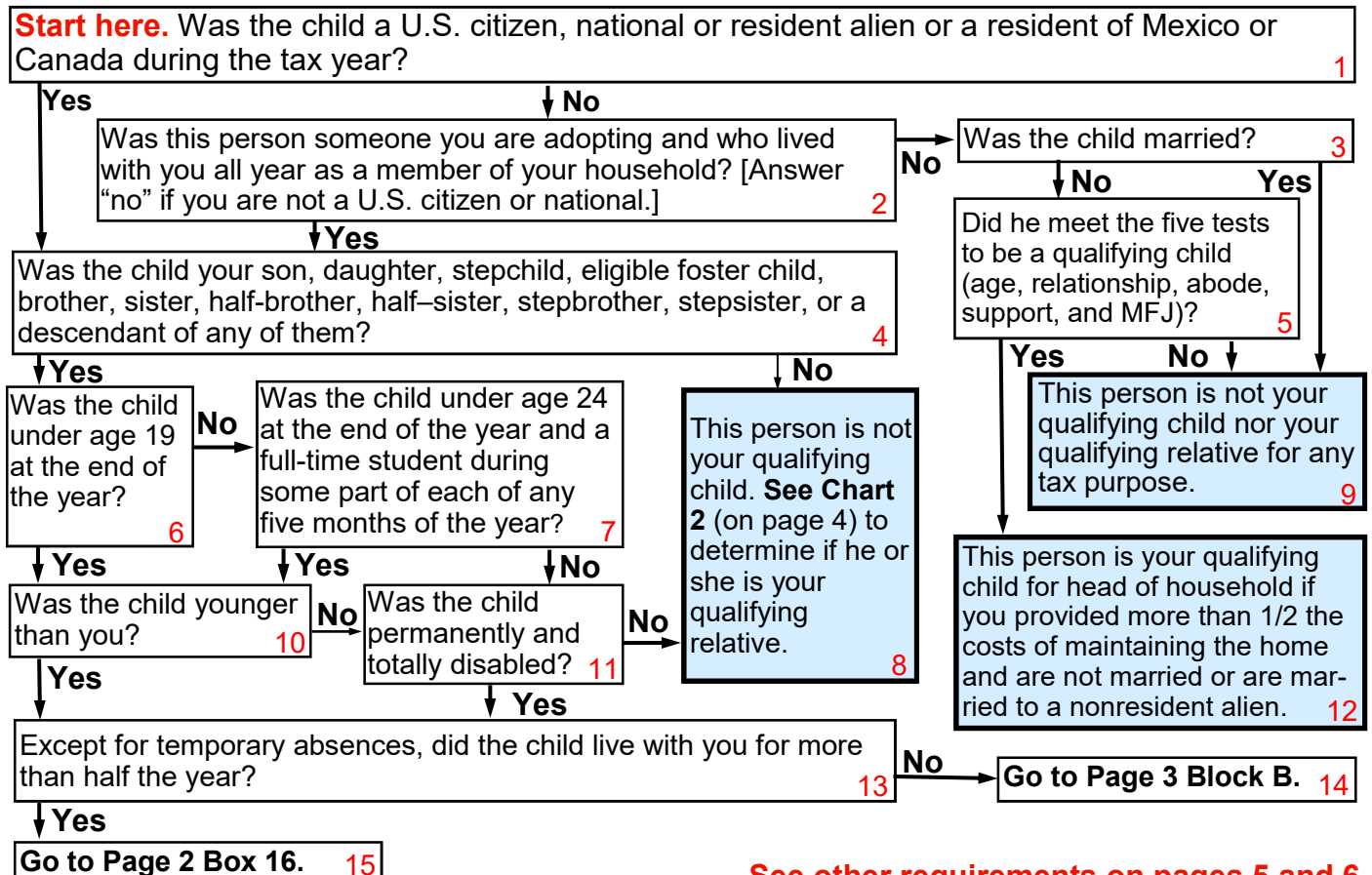
You must meet other requirements as well. These charts will tell you if the child or person is a qualifying person for a particular tax benefit. In addition to having a qualifying person, you also must meet other requirements before you can claim any given benefit. The other requirements (not covered by the charts) are summarized on pages 5 and 6.

When either chart says “taxpayer”, “TP” or “you,” it is referring to you, the taxpayer. When it uses the words “child, person, him, her, his, or hers,” it is referring to the child or other person who might qualify the taxpayer for tax benefits.

If the taxpayer can file married filing jointly (MFJ), ignore the references to head of household and qualifying surviving spouse filing statuses.

The small red numbers within each box are simply to identify the box for discussion purposes.

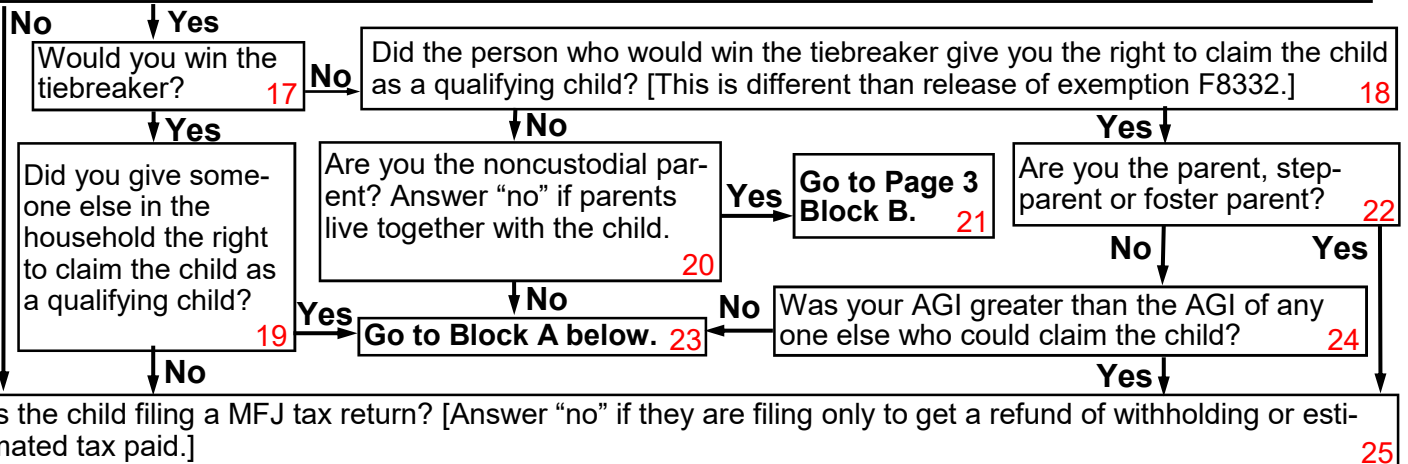
Chart 1: QUALIFYING CHILD



See other requirements on pages 5 and 6.

Chart 1: QUALIFYING CHILD (Cont.)

Was the child the qualifying child for any other **taxpayer**? [i.e. Except for temporary absences, did the child live with any other close relative (for example, parent, grandparent, aunt, uncle, older sibling, etc.) more than 1/2 the year?] 16



This person is your qualifying child and dependent for:

- Head of household¹ **OR** qualifying surviving spouse² (for either, if you paid more than 1/2 the cost of keeping up a home)
- EIC (if both TP(s) and child have valid SSN's, and TP is not the qualifying child of another taxpayer)
- Medical expense deduction
- Premium tax credit
- CTC (if child is under age 17 (18 for TY21) and has a valid SSN) **OR** credit for other dependents (if age 17 (18 for TY21) or over or has no valid SSN). For either, must be a U.S. national, citizen or resident
- Child and dependent care credit (if child is under age 13 at time of care or incapable of self-care)
- Education credits.

35

This person is your qualifying child, **not** a dependent, for:

- EIC (if child is not married, both child and TP(s) have valid SSN's, and TP is not the qualifying child of another taxpayer).

36

This person is your qualifying child, **not** a dependent, for:

- Head of household (if you paid more than 1/2 the cost of keeping up the home and are not married¹)
- EIC (if both child and TP(s) have valid SSN's, and TP is not qualifying child of another taxpayer)
- Child and dependent care credit (if child is under age 13 at time of care or incapable of self-care)
- Medical expense deduction (if you are the parent).

37

BLOCK A:

Generally, this person is not your qualifying child or qualifying relative for any tax purpose.

- You **can** claim EIC without a qualifying child if you are not the dependent of any other taxpayer and meet EIC rules.
- If you are the parent and the tests for a child of divorced or separated parents are met, you can claim medical expenses for this child.

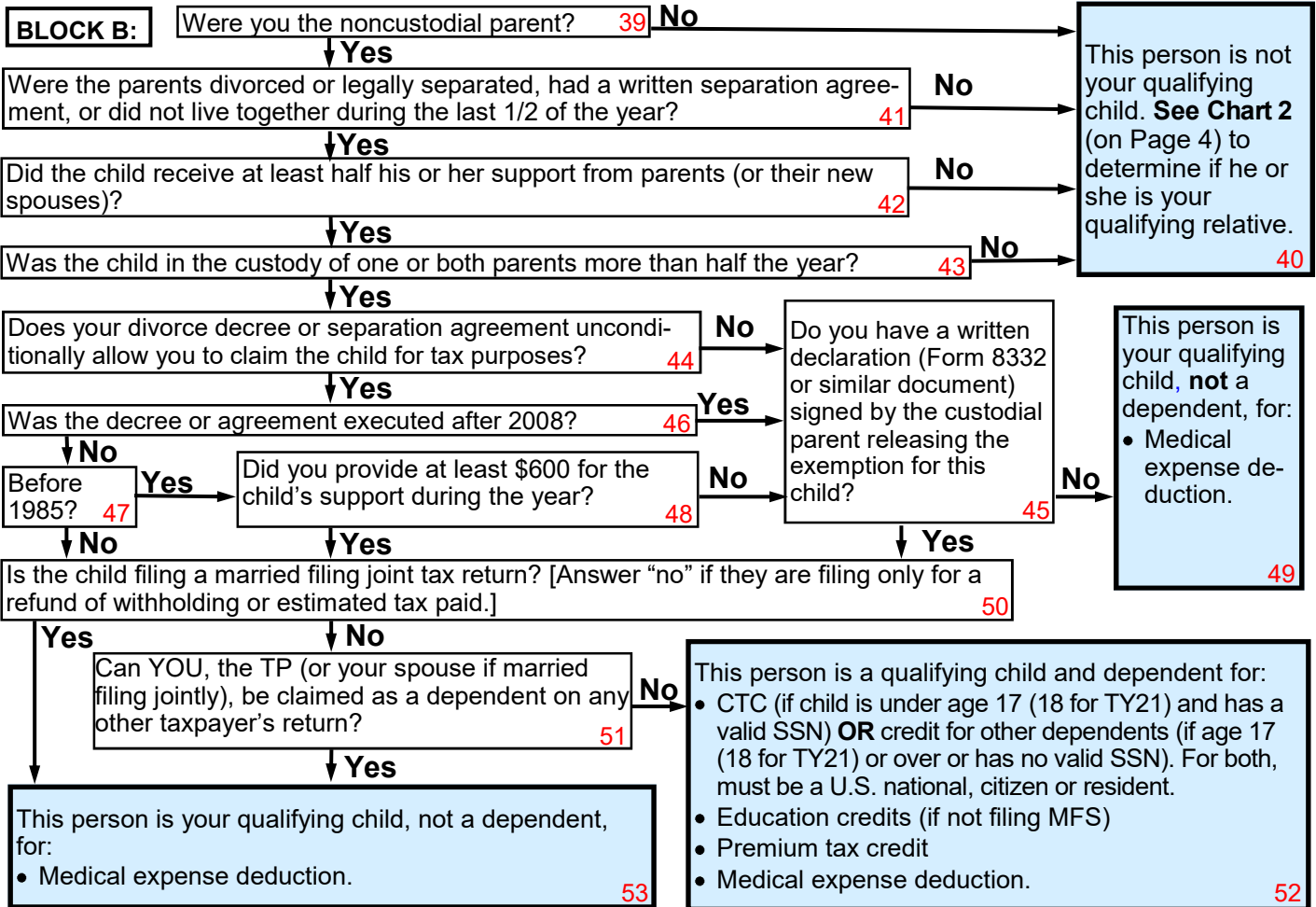
38

See other requirements on pages 5 and 6.

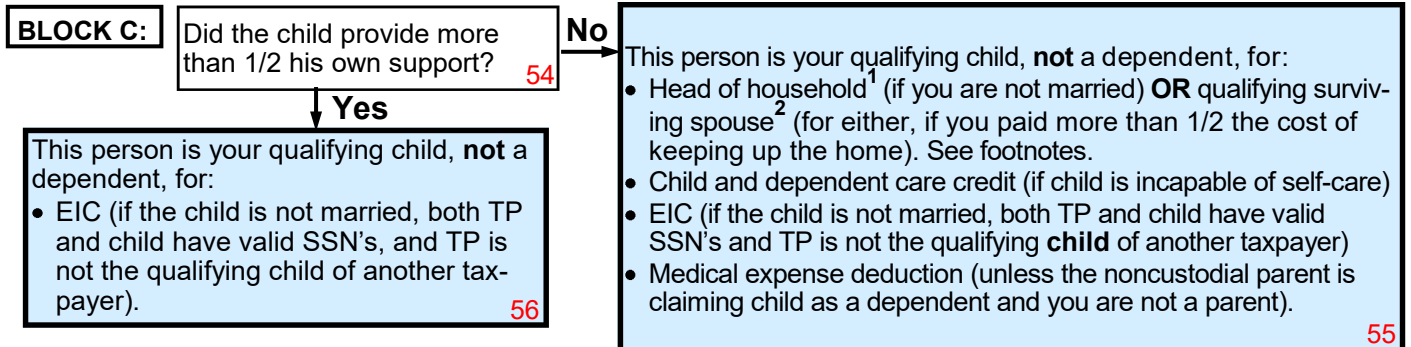
Footnotes start on page 3

Chart 1: QUALIFYING CHILD (Cont.)

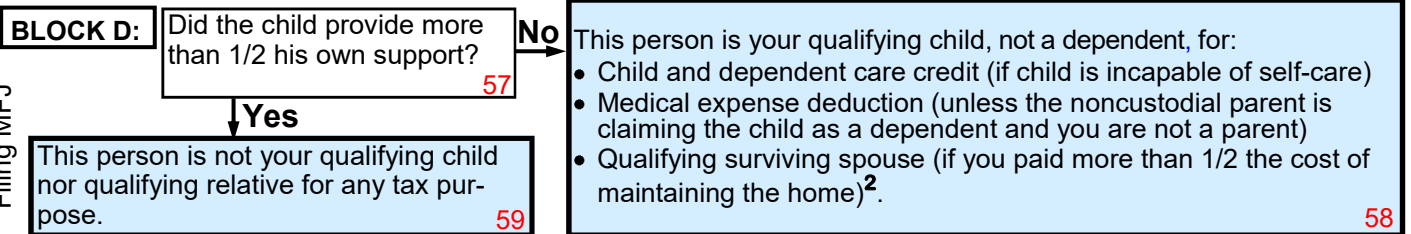
BLOCK B: TP and child didn't live together more than half the year.



BLOCK C: TP a Dependent



BLOCK D: Child Filing MFJ



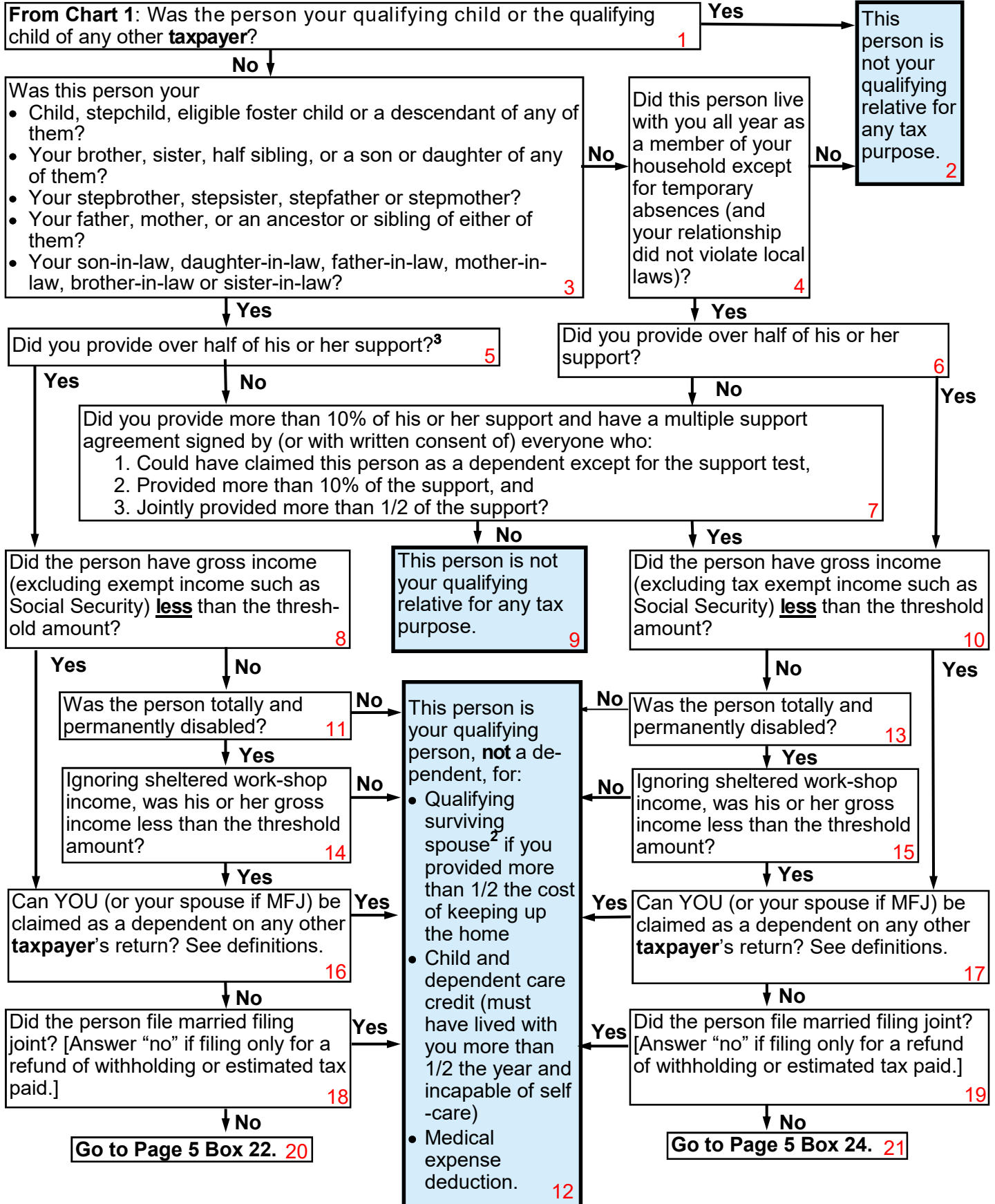
Footnotes:

- 1: If you were married you can claim head of household only if your spouse is treated as a nonresident alien for tax purposes **OR** 1) the person is your child, stepchild or eligible foster child, and 2) you lived apart from your spouse the entire last half of the year.

Footnotes continue on Page 5

See other requirements on pages 5 and 6.

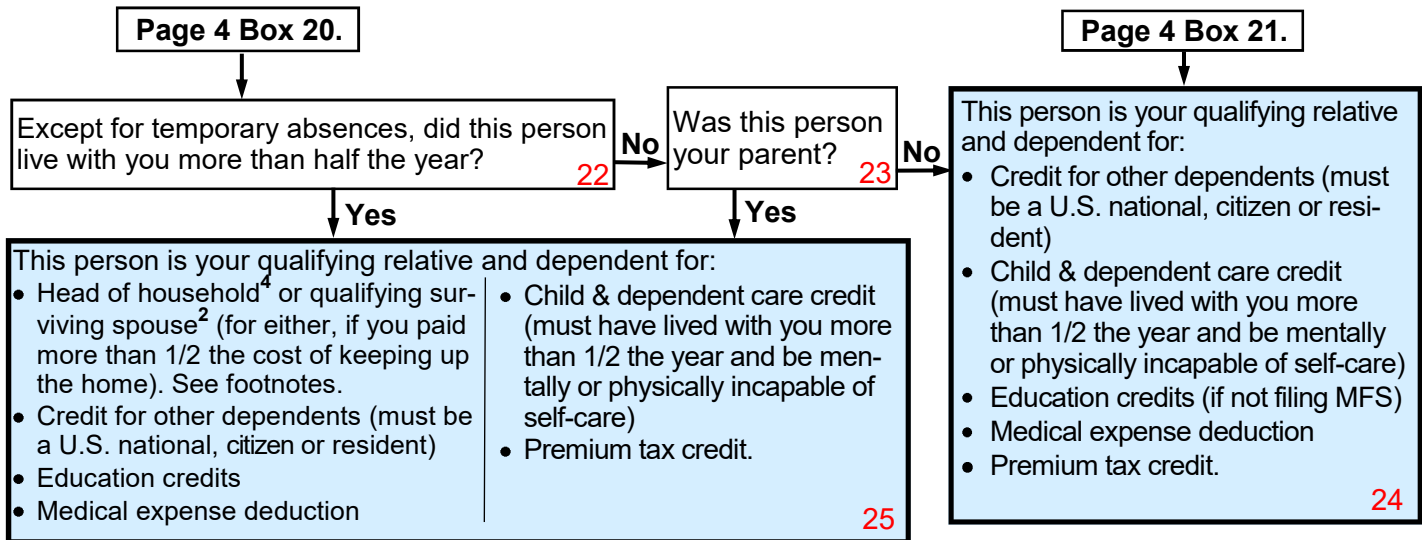
Chart 2: QUALIFYING RELATIVE



See other requirements on pages 5 and 6.

Footnotes continue on Page 5

Chart 2: QUALIFYING RELATIVE *(Continued)*



Footnotes *(continued from Page 3)*:

2. You can claim qualifying surviving spouse if the person is your child or stepchild who lived with you all year except for temporary absences.
3. If you are the noncustodial parent, over half the support can be provided by one or both parents.
4. If you were married you can claim head of household only if your spouse is treated as a nonresident alien for tax purposes OR 1) the person is your child, stepchild or eligible foster child, and 2) you lived apart from your spouse the entire last half of the year.

Other Requirements Not Covered by Charts

Child and Dependent Care Credit

- Qualifying person can be your spouse who was incapable of self-care. No need to use charts.
- If married, must file MFJ unless you lived apart from your spouse all the last half of the year and paid more than half the cost to maintain a home for both you and the child or incapable-of-self-care person.
- Taxpayer(s) must have earned income. Special rules apply if a) MFJ and either spouse is a full-time student or incapable of self-care or b) MFJ return filed by surviving spouse.
- You must make the payments so you can work or look for work.
- Purpose of payments must be for person's well being and protection – not education (below kindergarten ok, day camp ok, household services ok if partly for well-being or protection).
- Payments cannot be made to your spouse, to the child's other parent (with some exceptions for an incapable-of-self-care person), to your dependent, or to your child who is under age 19.
- You must have made a reasonable effort to get the provider's name, address and tax identification number (SSN or EIN).

Earned Income Tax Credit

- Eff. 1-1-2021: Married filing separately is allowed only if you do not file a joint return, you reside with your qualifying child for more than one-half of the year, and either
 - Did not have the same principal place of abode during the last 6 months of the year as your spouse, or
 - Have a decree, instrument, or agreement (other than a decree of divorce) with respect to your spouse and are not a member of the same household by the end of the taxable year.
- If married to a nonresident alien spouse must file MFJ or meet MFS rule above.
- You must have earned income (other than penal income).
- You cannot have investment income over a certain amount.
- Taxpayer must be U.S. citizen or resident alien all year.
- You must live with the child in U.S. at least half the year.
- You cannot claim the foreign earned income exclusion.

Other requirements continue on Page 6.

Other Requirements Not Covered by Charts *(Continued from Page 5)*

Education Credits

- You cannot file MFS.
- Payments must be to a qualifying institution.
- Payments must be for qualifying expenses.
- Payments made from certain tax-free funds cannot be included.
- Neither taxpayer can be treated as a non-resident alien for tax purposes.
- American opportunity credit: 1st 4 years of post-secondary education as determined by the school, max 4 tax years, at least ½-time study, toward certificate or degree, no felony drug convictions as of year end.
- Only one credit per student. Sometimes unused expenses can be used elsewhere.

Medical Expense Deduction

- You must have paid, or deemed to have paid, the expenses and not used them elsewhere on the return as a deduction or tax credit.
- You can also claim expenses paid this year for someone who was your qualifying person when the expenses were incurred.

Qualifying Surviving Spouse (with Child)

- Your spouse must have died during previous two years. See Publication 3, Armed Forces, if he or she was in a missing status.
- You were eligible to file MFJ with the deceased in the year of death.
- You have not remarried.

Premium Tax Credit

- If married, you must file MFJ but there are exceptions.
- Dependent must be claimed on the return to get premium tax credit for that individual.
- You cannot be a dependent of another taxpayer.
- Meet other requirements per F8962 and P974.

Disallowance of Certain Credits

- If EIC, CTC, refundable CTC (TY21), additional CTC, credit for other dependents, or American opportunity tax credit was disallowed by IRS (for either 2 years or 10 years), Form 8862 must be filed as requested by IRS in order to claim the credit in a future year.

Helpful Definitions

Birth, death, adoption, or placement: The requirement that the individual be a member of the household for more than one-half of the taxable year is satisfied if the individual is a member of the household for more than one-half of the period after the individual's birth, adoption, or placement for adoption or in foster care or before the individual's death.

Custodial parent and noncustodial parent: The custodial parent is the parent with whom the child lived for the greater number of nights during the year. The other parent is the noncustodial parent.

Eligible foster child means an individual who is placed with the taxpayer by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Form 8332 effect: The custodial parent releases or revokes dependency and child/additional child, education and premium tax credits to the noncustodial parent. Custodial parent retains eligibility for head of household, and earned income and dependent care credits, which may be passed to another household member, if requirements are satisfied.

Full-time student: A full-time student is a student who is enrolled for the number of hours or courses the school specifies as "full-time." It includes an individual pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational organization. To be considered a student for dependency purposes, the individual must have been a full-time student for any part of at least five months during the tax year.

Gross income: Gross income means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any income from sources outside the United States or from the sale of your main home (even if you can exclude part or all of it). Include only the taxable portion of Social Security benefits. Gross income includes gains, but not losses, reported on Schedule D. Gross income from a business or farm is calculated in Part I of each form. But, in figuring gross income, do not reduce your income by any losses.

Incapable of self-care: Physically or mentally not able to care for oneself. Persons who cannot dress, clean, or feed themselves because of physical or mental problems are considered not able to care for themselves. Also, persons who must have constant attention to prevent them from injuring themselves or others are considered not able to care for themselves.

Keeping up a home for head of household: Taxpayer must pay more than half the cost for the relevant period of time, which can be less than a year (prorate costs as needed; partial month counts as a full month). Period begins when taxpayer and a qualifying child reside in the same household and the spouse does not.

Missing child: For head of household or qualifying surviving spouse purposes only, a child presumed kidnapped by a non-relative is treated as a member of the household until the child is determined to be dead or reaches age 18.

Continued on Page 7

Helpful Definitions *(Continued)*

Permanently and totally disabled: A person is permanently and totally disabled if both of the following apply:

1. He or she cannot engage in any substantial gainful activity because of a physical or mental condition.
2. A doctor determines the condition has lasted or can be expected to last continuously for at least 12 months or can lead to death.

Relationships not terminated by divorce or death: Mother/father-in-law, sister/brother-in-law, daughter/son-in-law, stepchild, stepsister/brother, stepmother/father.

Resident alien: You are a resident alien if you are a permanent resident ("green card") or meet the substantial presence test. For more information about the substantial presence test, see Pub 4012 Tab L.

School defined: A school can be an elementary school; junior or senior high school; college; university; or technical, trade, or other vocational school. However, an on-the-job training course, correspondence school, or school offering courses only through the Internet does not count as a school for the full-time-student dependency requirement.

Taxpayer ("any other Taxpayer"): Someone who has a filing requirement. Does not include an individual who files solely to claim a refund of estimated or withheld taxes.

Temporary absence: Absence due to special circumstances such as illness, education, business, vacation, military service, institutionalized care for a child who is permanently and totally disabled, or incarceration. It must be reasonable to assume the absent person will return to the home after the temporary absence. You must continue to keep up the home during the absence.

Tie-breaker Rules:

1. If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent. But see also Rule 5.
2. If the parents file a joint return together and can claim the child as a qualifying child, the child is treated as the qualifying child of the parents.
3. If the parents do not file a joint return together but both parents claim the child as a qualifying child, the child is treated as the qualifying child of the parent with whom the child lived for the longer period of time during the year. If the child lived with each parent for the same amount of time, the child is treated as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year.
4. If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.
5. If a parent can claim the child as a qualifying child but no parent does so claim the child, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child. If the child's parents file a joint return with each other, this rule can be applied by dividing the parents' combined AGI equally between the parents.

Subject to these tiebreaker rules, you and the other person may be able to choose which of you claims the child as a qualifying child.

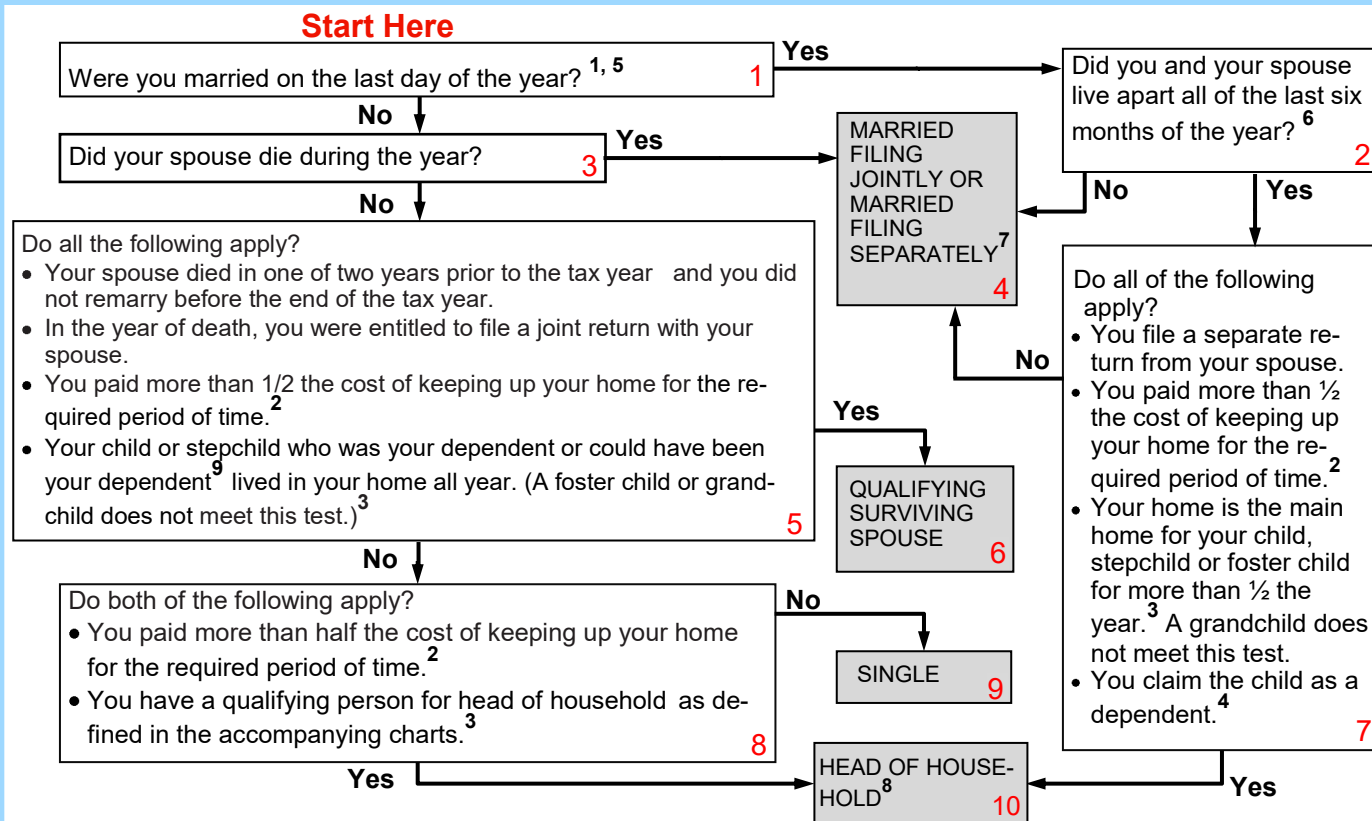
Threshold Amount: For the purpose of defining a qualifying relative, the threshold amount for the year is on the tax year's Intake Sheet (Form 13614-C) and in Pub 4012, Tab C.

U.S. national: A U.S. national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

This document has been prepared for general information purposes only and is not intended to be relied upon as tax or other advice. The charts and related specifications may assist Tax-Aide Volunteers in determining who is a qualifying child or qualifying relative for certain tax benefits as listed. The charts should not be relied upon solely, and the user is advised to confirm the results to their own satisfaction. Not all terms are defined or explained in these pages. Tax-Aide volunteers should refer to appropriate reference materials for complete details.

For use by AARP Foundation Tax-Aide Volunteers only. All other use is prohibited.

Determination of Filing Status – Decision Tree



Note: If one spouse dies and the other remarries in the same year, the deceased spouse files MFS.

Footnotes:

1. Answer "No" to this question if, on the last day of the year, you were legally separated from your spouse under a divorce or separate maintenance decree. Answer "Yes" to this question if you are an individual in a same-sex marriage, legally married in a jurisdiction that recognizes the marriage, regardless of where you now live. Also, answer "Yes" if you are married regardless of where your spouse lives.
2. Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance (or fair market rental value) on the home, repairs, utilities and food eaten in the home. See "Cost of Keeping Up a Home" worksheet in Pub 4012.
 - Payments received under Temporary Assistance for Needy Families or other public assistance programs used to pay the costs of keeping up the home can be counted as money you paid. These payments must be included in the total cost of keeping up the home to figure if you paid over 1/2 the cost.
 - Amounts paid out of funds received in the child's or qualifying person's name (such as Social Security benefits) are considered to be paid by the child, not by you.
3. See Publication 501, *Filing Status*, for rules applying to birth, death, or kidnapped child during the year.
4. Unless the child's other parent claims him or her under rules for children of divorced or separated parents or parents who lived apart.
5. You are considered unmarried for head of household purposes if your spouse was a nonresident alien at any time during the year and you do not choose to treat your nonresident spouse as a resident alien. However, your spouse is not a qualifying person for head of household purposes. You must have another qualifying person and meet the other tests to be eligible to file as a head of household. If not, your filing status is married filing separately.
6. Your spouse is considered to live in your home even if he or she is temporarily absent due to illness, education, business, vacation, military service or incarceration. It must be reasonable to assume the absent person will return to the home after the temporary absence.
7. If the taxpayer wants to file MFS, emphasize the advantages to MFJ and the possibility of filing Form 8379, Injured Spouse Claim & Allocation (if appropriate). See *Pub 17*, Filing Status, MFS Special Rules for list of disadvantages. Respect a taxpayer's decision to file MFS. If domiciled in a community property state see *Pub 555*, Community Property.
8. There may be multiple heads of household within a single living quarters if no one from either household would win the tiebreaker for anyone in the other household.
9. Child who would have been a dependent except you are a dependent, or child files MFJ or has income over the threshold amount.