

News Brief

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President Biden Announces the American Families Plan

In a recent speech, President Joe Biden [announced](#) the American Families Plan, which is a proposed \$1.8 trillion legislative package. The proposed bill includes an investment of around \$1 trillion in families, education and workers. The bill also includes around \$800 billion in enhanced tax credits that would extend the benefits included in the recently passed American Rescue Plan Act for lower- and middle-income workers and families.

In general, this proposed plan would:

- **Provide direct support to children and families**—The bill would provide direct support for families to ensure that low- and middle-income families spend no more than 7% of their income on child care, and that the child care they access is of high quality. The bill would also provide a national comprehensive paid family and medical leave program.
- **Extend tax cuts for American workers and families with children**—The bill would extend tax cuts in the American Rescue Plan Act that benefit lower- and middle-income workers and families. In addition, the American Families Plan would extend the expanded health insurance tax credits included in the American Rescue Plan.
- **Offer free preschool and community college**—The bill heavily invests in education, and would provide universal preschool to three- and four-year-olds. The bill would also provide Americans two years of free community college.

According to an update from the White House, President Biden will propose a set of measures to increase the amount of taxes that the wealthiest Americans pay, while ensuring that no one making \$400,000 per year or less will see a tax increase. This bill would be partially funded by proposed higher taxes on wealthy Americans.

Employer Takeaway

This bill is a large piece of legislation that will be debated by both chambers of Congress. Expect major changes from this initial proposal as this bill moves its way through the legislative process.

We will continue to monitor developments and provide updates as more details become available.