



Payroll Bulletin

Office of the State Comptroller

Bureau of State Payroll Services

Date: November 15, 2005

Bulletin Number: 596

Subject	Advance Payment of Earned Income Credit
Purpose	To explain the procedure for the annual review of employees with Earned Income Credit (EIC).
Affected Employees	Employees eligible to receive advance Earned Income Credit payments for 2006.
Background	<p>Internal Revenue Service regulations require employees eligible for advance payment of Earned Income Credit to file a new W-5 "Earned Income Credit Advance" certificate each year.</p> <p>The Federal government provides either a credit or an income tax refund to employees who earn low or modest wages, provided eligibility requirements relating to annual income and family size are met. Eligible employees have the option of receiving advance payment of Earned Income Credit directly from their employer in the form of regular EIC payments added to their paychecks.</p>
Agency Actions	<p>Control-D Report (TAX113), available on November 15, 2005, identifies employees in each agency who currently claim Earned Income Credit. The employees appearing on this report must have their Federal tax records changed if a new Form W-5 is not filed.</p> <p>If the agency does not receive a new W-5 for an employee on this report by December 23, 2005, the EIC must be cancelled on the Employee Tax Data Page and made effective for the first payroll check in 2006. For Institution agencies, the effective date should be the paychecks dated January 5, 2006. For Administration agencies, the effective date should be the paychecks dated January 11, 2006.</p>
Questions	Questions concerning this Bulletin may be directed to Rowena Fuller of the Deductions Section at (518) 473-8271.