

Advanced Earned Income Tax Credit Eliminated

January 12, 2011

On August 10, 2010, President Obama signed into law the Education Jobs and Medicaid Assistance Act of 2010. Included in the act is a provision that repeals the Advance Earned Income Tax Credit (AEITC).

After December 31, 2010, the Form W-5, Earned Income Credit Advance Payment Certificate, and the option for advanced EIC payments will be eliminated. This affects any employee who may have submitted a 2010 Form W-5 or who may be inquiring about the Advance EIC payments. Individuals eligible for the EIC payments may still claim this tax credit on their 2011 tax return.

Paychecks beginning January 1, 2011 will not include the Advance EITC.

Should you have any questions regarding the elimination of the Advance EITC, contact the Tax Department (or your payroll tech) at (800)466-2473.

IMPORTANT: This document is designed to provide a general overview of the subject. It does NOT attempt to cover all of the law's provisions and should NOT be used as legal advice for implementation activities. We encourage you to seek professional advice, including legal counsel, regarding how the new requirements will affect your specific circumstances.

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