

SECTION 773: INSTRUCTIONS FOR COMPLETING EARNED INCOME CREDIT
ADVANCE PAYMENT CERTIFICATE, FORM W-5

1. Purpose.

- (a) The EARNED INCOME CREDIT ADVANCE PAYMENT CERTIFICATE, FORM W-5, is used by an employee for reporting the employee's eligibility to receive the advance earned income credit (EIC) payment under the income tax laws of our Federal government, summarized in the Employer's Tax Guide, Circular E, Publication 15 (Supplement, 7/79). The information on Form W-5 is then recorded on the payroll change schedule, which is used as the input document to determine the amount of the payment.
- (b) Employees who do not complete the form, but are eligible to receive the EIC, may still get the full benefit of the credit on their annual income tax returns.

2. Preparation. The form is prepared by the employee with the assistance of the appropriate office within the employing agency.

3. Frequency. Eligible employees must file a new certificate each year, and/or whenever the employee's eligibility status changes. Form W-5 certificates expire on December 31 of each year.

4. Distribution. One copy is filed in the employee's departmental personnel record.

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ITEM NO.	TYPE OF INFORMATION	DETAILED INSTRUCTIONS
(1)	NAME	<p>Note: Instructions are printed on the form. The employee should refer to these instructions when preparing the form. Instructions on this page apply only to those areas where special information is required in the State payroll system.</p> <p>Enter employee's name in the following sequence: last name, first name, middle initial. The name must be identical with the name reflected on the PAYROLL REGISTER, if the employee is established on the payroll master file. A comma must be placed between the last name and the first name.</p>
(2)		<p>Enter the home address, city, and zip code.</p>

EXHIBIT A: SAMPLE FORM KEYED TO INSTRUCTIONS FOR FORM W-5

(Front)

Form W-5 (1979) Earned Income Credit Advance Payment Certificate

For "Privacy Act" notice see back of form.

Instructions

If you expect your 1979 adjusted gross income to be less than \$10,000, read these instructions carefully. (Note: Your 1978 adjusted gross income was reported on Form 1040A, line 10 or on Form 1040, line 31.)

What Does the Earned Income Credit Do?—The earned income credit can provide payments of up to \$500 to taxpayers who have incomes under \$10,000 and who have children living with them. If you are eligible for the credit, you can get it even if you owe no tax.

Who Can Take the Earned Income Credit?—The checklist below will help you find out if you are eligible for the earned income credit. If you answer "No" to any questions on the checklist, you are not eligible for the earned income credit. Do not fill in the certificate. If none of your answers are "No," you can take the credit.

Advance Payment of the Earned Income Credit.—If you are eligible, you can choose to get the credit in advance with your pay. You will get the credit on your annual tax return even if you do not complete this form.

To receive the credit in advance with your pay, fill in the bottom part of this form and give it to your employer. You may have only one certificate in effect with a current employer at one time. If you and your spouse are both employed, each of you should file a separate Form W-5. (Note: If you receive advance payments, you must file Form 1040 or Form 1040A for 1979.)

If Your Status Changes.—If you file this form with your present employer and your status changes in 1979, you usually will have to fill out a new certificate.

If your status changes so that any answer in the earned income credit checklist becomes "No," or if you no longer want to receive advance payments, you must file a

new certificate. Check the "No" box in question 1 on the new certificate to show that you are not qualified or no longer want to get advance payments.

If your status changes because your spouse files a certificate with his or her employer, you must file a new certificate with your employer showing in question 2 that your spouse has filed.

If you receive advance payment of the earned income credit and later find out that you are not eligible, you will have to pay it back when you file your annual tax return.

This Form W-5 certificate expires on December 31, 1979. If you expect to qualify for earned income credit in 1980, you must file a new certificate for 1980.

Note: If you are married and both you and your spouse are working, you should both review the Forms W-4 you have on file with your employers to make sure that enough tax is being withheld.

Earned Income Credit Checklist

To find out if you will be eligible to get the earned income credit, please answer the questions below for 1979.

Table with 2 columns: Question, Yes, No. Contains questions A through F regarding eligibility for the earned income credit.

* The term child includes: Your son or daughter, your stepchild, adopted child, or a child placed with you by an authorized placement agency for legal adoption (even if the child becomes your stepchild or adopted child, or is placed with you, during the year); OR any other child you care for as your own child for the whole year, unless the child's natural or adoptive parents provide more than half of the support for that year.

** If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.

Give the lower part of this form to your employer; keep the top part for your records

Form header section including Form W-5, Department of the Treasury Internal Revenue Service, Earned Income Credit Advance Payment Certificate, 1979, and fields for name and social security number.

Note: If you file Form W-5 with an employer to receive advance payments of the earned income credit for 1979, you must file Form 1040 or Form 1040A for 1979. If married, you must file a joint return.

Table with 2 columns: Question, Yes, No. Contains questions 1 and 2 regarding eligibility and current certificates.

Under penalties of perjury, I declare that the information I have furnished above, to the best of my knowledge, is true, correct, and complete.

Signature and Date fields.

EXHIBIT A: SAMPLE FORM KEYED TO INSTRUCTIONS FOR FORM W-5

(Back)

The following information is provided under the Privacy Act of 1974:

Internal Revenue Code section 3507 and its regulations say that you must fill out an earned income credit advance payment certificate and give it to your employer if you want the advance payment. Section 6109 and its regulations say that you must show your social security number on what you file.

The main purpose in asking for this certificate is to pay the advance earned income credit. This information may also be given to the Department of Justice and other Federal agencies, as provided by law.

If you don't fill out a signed earned income credit advance payment certificate, you will not receive an advance payment. But if you are eligible and don't complete the form, you will still get the credit on your tax return.