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TO: All State Agencies

FROM: Robert J. Murphy, Director  
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DATE: October 13, 2010

SUBJECT: ADVANCE PAYMENT OF EARNED INCOME CREDIT (EIC) FOR 2011

The "**Advanced**" payment of Earned Income Credit will no longer be available via the payroll process starting January 1, 2011. A provision in the 2010 Education, Jobs and Medicaid Assistance Act repealed the advance earned income credit effective for tax years beginning after December 31, 2010. Employees who currently claim advance payment of Earned Income Credit (EIC) as well as employees who desire to claim it in the future may do so only by claiming the earned income credit on their personal income tax returns.

Details on eligibility and claiming Earned Income Credit on personal income tax returns may be found on the Internal Revenue Web site

<http://www.irs.gov/individuals/article/0,,id=96406,00.html>

Attached is a report, where applicable, of active employees in your agency who currently receive advance payment of Earned Income Credit (EIC). The report can facilitate your notice to employees who currently claim benefits from participation in EIC so that they can anticipate the change in their wage payments effective with the first pay check of 2011 on January 5<sup>th</sup>.

Applicable List  
File: EIC 12\_10