



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

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COMMISSIONER OF ADMINISTRATION

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OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2006-37

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: Advanced Earned Income Credit (EIC) Payments

Each year on December 31st, IRS Form W-5 (Earned Income Credit Advance Payment Certificate) expires. Eligible employees who want to receive advance payments of the earned income credit for the next year must complete a new Form W-5 and forward to their Employee Administration Office. According to the IRS, Form W-5 becomes effective the day it is received and remains in effect until the end of the calendar year unless the employee revokes it or files another one. [Year 2006 Form W-5](#) can be obtained from the Internal Revenue Service's website or from the local Internal Revenue Service office.

For 2006, advance EIC payment tables cover three separate filing statuses: "Single or Head of Household", "Married without Spouse Filing Certificate", and "Married with Both Spouses Filing Certificate." These tables can be found in [IRS Publication 15](#). The maximum advance payment a qualified Earned Income Credit recipient may receive is \$1,648 for 2006. To qualify for advance EIC payments, the individual must be expected to have an earned income or modified gross income (for federal income tax purposes) of less than \$32,001 (\$34,001 if married filing jointly) in 2006 and have one qualifying child.

Agencies should run report ZP65, Employee Tax Report, selecting the reporting criteria "Claiming EIC" to determine the affected employees in their agency. The agency should advise these employees to complete a new Form W-5 if they qualify. All employees with an EIC indicator on IT0210 for calendar year 2005 should have a delimit date of 12/31/2005. Once the Employee Administration office receives a new Form W-5 for 2006, a new IT0210 record must be created to include the EIC indicator with delimit date of 12/31/2006. Agencies must follow on-line help system task "Maintain Withholding Information", under "HR – Payroll Master Data – Update" for instructions on changing IT0210.

Note: Agencies should remind ALL employees to review their current filing status. Individual circumstances may have changed and employees may want to file an updated Form W-4 with your agency in order to accommodate a change in their need for withholdings. [Year 2006 Form W-4](#) can be obtained from the Internal Revenue Service's website or from the local Internal Revenue Service office.

Questions should be directed to a member of the OSUP Wage and Tax Administration Unit at (225):

Tiko Ary	342-1652	Rhonda Desselle	219-0338
Wendy Eggert	219-0191	Chelette Jarrett	342-0714
Rachel Bryant	342-1651		

JWC:CM:kmb