



# Earned Income Credit - HRS2400



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Per IRS requirements, this tab has been removed as it is obsolete for calendar years greater than 2019.

# Earned Income Credit - HRS2400

## Payroll > Tables > Tax/Deductions > Earned Income Credit

The EIC is a tax credit for certain workers who have a qualifying child who lives with them in the United States. The tax credit is based upon a percentage of their earned income. Eligible employees must sign a W-5 form each January to receive advance payments. On the general journal, EIC is a debit to the clearing fund object code of 2151 and reduces your tax deposit. EIC is reported on the quarterly 941 form and on the employee's W-2 form. In addition to setting up the EIC data, you must set the EIC Code on the Staff Job/Pay page, Pay Info tab. The system allows you to establish up to nine tables for the purpose of calculating earned income credit. These tables include the following:

- EIC single/head of household filing biweekly
- EIC married with both spouses filing biweekly
- EIC married without spouse filing biweekly
- EIC single/head of household filing semimonthly
- EIC married with both spouses filing semimonthly
- EIC married without spouse filing semimonthly
- EIC single/head of household filing monthly
- EIC married with both spouses filing monthly
- EIC married without spouse filing monthly

These tables must be updated in accordance with IRS Circular E (go to [www.irs.gov/pubs](http://www.irs.gov/pubs) to obtain a copy of this publication). It is your responsibility to keep these tables up to date. You only need to update the tables that affect your payroll. For example, if you do not have any semimonthly employees, it is not necessary for you to complete the single and married tables for a semimonthly payroll. Each of the nine EIC tables consists of the same fields. The values for each of these fields come directly from the corresponding position on the table contained in IRS Circular E.

**Note:** Due to a change in the law, you can no longer get advance payments of the credit in your pay during the year as you could in 2010 and earlier years. However, if you are eligible, you are able to claim the credit on your return. For more information, go to [http://www.irs.gov/publications/p596/ar01.html#en\\_US\\_2010\\_publink1000167170](http://www.irs.gov/publications/p596/ar01.html#en_US_2010_publink1000167170).

### Set up FICA tax data:

Field	Description
Calendar Year	Verify that the correct calendar year is displayed. If not, type the correct four-digit calendar year.

Click **Retrieve**. The earned income credit data is displayed

Under **Marital Status**, select the marital status to be used.

Under **Pay Frequency**, select the payroll frequency to be used.

**Wages** Type the percentage from the IRS Circular E table.

In the field below of **Wages**, type the amount of payment to be made.

<b>Over</b>	Type the lowest wage limit used in the calculation.
<b>But Not Over</b>	Type the highest wage limit used in the calculation.

In the **less % of wages** field, type the percentage of wages in excess of the value in the **But Not Over** field.

Click **Save**.

**Other functions and features:**

<b>Retrieve</b>	The <b>Retrieve</b> button is also used to retrieve information from the last save. If you click <b>Retrieve</b> , any unsaved changes are lost.
<b>Delete</b>	Click to delete all tax tables for the calendar year except TRS rates. A warning message is displayed and prompts you to confirm that you want to delete all tax tables.  Click <b>Yes</b> to delete the tax tables for the calendar year. Click <b>No</b> to not delete the tax tables and return to the current tab.
<b>Print</b>	Click to print tax table data. The following Tax Table options are displayed: <b>Current Tab Page</b> - prints only the tab page currently open. <b>Selected Code Tables</b> - displays the following Tax Table Selection options: FIT Exemption FIT Tables FICA Tax Unemployment TRS Rates Annuity Rates Workers' Comp Deduction Codes <b>All Code Tables</b> - prints all the Tax/Deductions tab pages. Select an option, and then click <b>OK</b> to view a copy of the report. Otherwise, click <b>Cancel</b> to return to the tab.  <a href="#">Review the report.</a>