



STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR

DEPARTMENT OF FINANCE AND ADMINISTRATION
KEVIN J. UPCHURCH
EXECUTIVE DIRECTOR

MEMORANDUM

TO: State Agency Human Resource Officers,
State Agency Payroll Officers,

FROM: Leila Malatesta, Director, Office of Fiscal Management

L Malatesta

DATE: November 10, 2010

SUBJECT: Repeal of Advanced Earned Income Credit Payments

The Advanced Earned Income Credit (AEIC), which allows qualified employees to receive a portion of the Earned Income Tax Credit (EITC) in their paycheck, has been repealed by legislation signed into law by President Obama.

Beginning January 1, 2011 employers will no longer advance a portion of the EITC to employees in each paycheck. Since the AEIC has been repealed, Form W-5 (Earned Income Credit Advance Payment Certificate) will no longer be required. Also beginning January 1, 2011, SPAHRS tax deduction code EIC will no longer be available. Eligible individuals will still be able to claim the EITC on their income tax return (Form 1040 – U.S. Individual Income Tax Return) at the end of the year.

Please inform your employees of this change. Should you have any questions concerning this memorandum, please contact Donna McFarland at 601-359-2923 or mcfarld@dfa.state.ms.us.

LCM: dbm