

2000 Form W-5



Department of the Treasury
Internal Revenue Service

Instructions

A Change To Note

Beginning in 2000, new rules apply to determine who is a foster child for purposes of the earned income credit (EIC). See page 3 for details.

Purpose

Use Form W-5 if you are eligible to get part of the EIC in advance with your pay and choose to do so. See **Who Is Eligible To Get Advance EIC Payments?** below. The amount you can get in advance generally depends on your wages. If you are married, the amount of your advance EIC payments also depends on whether your spouse has filed a Form W-5 with his or her employer. However, your employer cannot give you more than \$1,412 throughout 2000 with your pay. You will get the rest of any EIC you are entitled to when you file your tax return and claim the EIC.

If you do not choose to get advance payments, you can still claim the EIC on your 2000 tax return.

What Is the EIC?

The EIC is a credit for certain workers. It reduces the tax you owe. It may give you a refund even if you do not owe any tax.

Who Is Eligible To Get Advance EIC Payments?

You are eligible to get advance EIC payments if **all three** of the following apply.

1. You expect to have at least one qualifying child. If you do not expect to have a qualifying child, you may still be eligible for the EIC, but you **cannot** receive advance EIC payments. See **Who Is a Qualifying Child?** on page 2.

2. You expect that your 2000 earned income and modified AGI (adjusted gross income) will each be less than \$27,413. Include your spouse's income if you plan to file a joint return. As used on this form, **earned income** does not include amounts inmates in penal institutions are paid for their work or workfare payments (defined on this page). For most people, **modified AGI** is the total of adjusted gross income plus any tax-exempt interest. But see the 1999 revision of **Pub. 596, Earned Income Credit**, for information about how to figure your 2000 modified AGI if you expect to receive nontaxable payments from a pension, annuity, or an IRA; or you plan to file a 2000 Form 1040.

3. You expect to be able to claim the EIC for 2000. To find out if you may be able to claim the EIC, answer the questions on page 2.

Workfare payments. These are cash payments certain people receive from a state or local agency that administers public assistance programs funded under the Federal Temporary Assistance for Needy Families (TANF) program in return for certain work activities such as (1) work experience activities (including work associated with remodeling or repairing publicly assisted housing) if sufficient private sector employment is not available, or (2) community service program activities.

How To Get Advance EIC Payments

If you are eligible to get advance EIC payments, fill in the 2000 Form W-5 at the bottom of this page. Then, detach it and give it to your employer. If you get advance payments, you **must** file a 2000 Federal income tax return.

You may have only **one** Form W-5 in effect at one time. If you and your spouse are both employed, you should file separate Forms W-5.

(Continued on page 2)

Give the lower part to your employer; keep the top part for your records.

Detach here

Form **W-5**

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Earned Income Credit Advance Payment Certificate

- ▶ Use the current year's certificate only.
- ▶ Give this certificate to your employer.
- ▶ This certificate expires on December 31, 2000.

OMB No. 1545-1342

2000

Print or type your full name

Your social security number

Note: If you get advance payments of the earned income credit for 2000, you **must** file a 2000 Federal income tax return. To get advance payments, you **must** have a qualifying child and your filing status must be any status **except** married filing a separate return.

	Yes	No
1 I expect to be able to claim the earned income credit for 2000, I do not have another Form W-5 in effect with any other current employer, and I choose to get advance EIC payments		
2 Do you expect to have a qualifying child?		
3 Are you married?		
4 If you are married, does your spouse have a Form W-5 in effect for 2000 with any employer?		

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

Signature ▶

Date ▶