



Businesses and Employers

Since the EIC and the CTC are tax benefits for people who work, employers are logical and important partners in any campaign. Partnering with local businesses that cater to low- and moderate-income consumers can reach customers, as well as employees.

Government agencies and nonprofit groups are employers too. Their workers often earn modest wages and could qualify for the credits.



As part of a collaborative effort

between the Family

Resource Center VITA program and the Employee Support Program, the Family Resource Center at Gorham (FRCG) in New Hampshire established a partnership with eight employers including Walmart, a hospital, a nursing home, a steel company and a hotel. By working with the HR departments, FRCG arranged 10 minute presentations for employees to learn about the EIC, CTC and VITA, as well as other benefits for working families, such as child care and health coverage. Interested employees scheduled appointments for free tax preparation at their job site and also had the opportunity to meet one-to-one with FRCG's Benefits Specialist who checked to see if employees were eligible for other public work support programs. In 2008 FRCG prepared 101 tax returns electronically at the employer sites providing \$123,948 in refunds for employees. FRCG looks forward to expanding the number of employers involved during its third year of employer partnerships in 2009.

*Contact: Judy Woodward, FRCG, (603) 466-9014
or jwoodward@frcberlin-gorham.org*

Strategies

- Interest local businesses in conducting tax credit outreach by stressing that they have a stake in boosting EIC and CTC participation: Promoting the credits helps stabilize the workforce. When employees have the money they need to get to work, pay for child care and address their families' day-to-day needs, they are more likely to keep their jobs. Tax credits mean more money in the pockets of community residents. Customers are better able to pay their bills. Community leaders can think of the credits as an economic development tool.
- Enlist a business organization to deliver the message about the importance of the tax credits. Gaining the support of the Chamber of Commerce, merchants' associations, trade groups or other business organizations will give your campaign credibility with employers and will provide a link to large networks of businesses.
- Persuade local businesses to use tax credit promotional materials. Stores can display posters and flyers. Family restaurants can print tax credit messages on tray liners or placemats. Department stores can play announcements on in-store public address systems. Utility companies can include tax credit information with their monthly bills.
- Show employers effective ways to inform employees about the tax credits. Incorporate tax credit information with employee paychecks, December through March. Display posters and flyers where employees check in at the beginning and end of each day, and in the employee lounge or lunchroom. Publish an article about the tax credits in employee newsletters. One large government employer ran an EIC message as a computer screensaver. Another placed an EIC reminder on the telephone recording that plays when a caller is "on hold." Another business made EIC information available through its employee "resource line," an internal hotline employees can call for information about company benefits and other services.

- Encourage employers to inform workers about the Advance EIC payment option and make it easy for them to obtain and complete IRS Form W-5 to start Advance EIC payments.
- Train managers to deliver information about the EIC and the CTC to employees they supervise and to new hires. Include tax credit information in employee manuals.
- Direct employees to free tax filing sites. Employers with many low-wage employees can provide a list of nearby VITA sites or they can arrange to have VITA volunteers visit the worksite to help employees file their tax returns.

Glad You Asked That!

Q:

How do employers give their workers Advance EIC payments?

A:

Employers provide their employees the Form W-5. Instructions for processing Advance EIC payments are contained in the Advance EIC chapter of IRS Publication 15, Circular E, Employer's Tax Guide. The Employer's Tax Guide also contains Advance EIC tables employers can use to easily determine the amount to add to an employee's paycheck. ***Employers can order free copies of the Employer's Tax Guide and the Form W-5 for 2008 from the IRS by calling 1-800-TAX-FORM, or they can be downloaded from the IRS website at www.irs.gov/formspubs.***



Find It On the Web www.cbpp.org/eic2009

**More Outreach Strategies and Examples
Fact Sheet on Advance EIC Payments**