

# Earned Income Table

Earned Income for EIC	
Includes	Doesn't include
<ul style="list-style-type: none"> <li>• Taxable wages, salaries, and tips</li> <li>• Union strike benefits</li> <li>• Taxable long-term disability benefits received prior to minimum retirement age</li> <li>• Net earnings from self-employment</li> <li>• Gross income of a statutory employee</li> <li>• Household employee income</li> <li>• Nontaxable combat pay election</li> <li>• Nonemployee compensation</li> <li>• The rental value of a home or a housing allowance provided to a minister as part of the minister's pay (Out of Scope)</li> </ul>	<ul style="list-style-type: none"> <li>• Interest and dividends</li> <li>• Social Security and railroad retirement benefits</li> <li>• Welfare benefits</li> <li>• Workfare payments</li> <li>• Pensions and annuities (except if disability pension and taxpayer is under minimum retirement age)</li> <li>• Veteran's benefits (including VA rehabilitation payments)</li> <li>• Workers' compensation benefits</li> <li>• Alimony</li> <li>• Child support</li> <li>• Nontaxable foster-care payments</li> <li>• Unemployment compensation</li> <li>• Taxable scholarship or fellowship grants that aren't reported on Form W-2</li> <li>• Earnings for work performed while an inmate at a penal institution or on work release*</li> <li>• Salary deferrals (for example, under a 401(k) or 403(b) plan or the Federal Thrift Savings Plan)</li> <li>• The value of meals or lodging provided by an employer for the convenience of the employer</li> <li>• Disability Insurance payments</li> <li>• Excludable dependent care benefits (line 25 of Form 2441)</li> <li>• Salary reductions such as under a cafeteria plan</li> <li>• Excludable employer-provided educational assistance benefits (may be shown in box 14 of Form W-2)</li> </ul>

\*This particular income is entered as other income on the return and not counted as earned income.

**Note:** Taxpayers may be able to elect to use their 2019 earned income to figure their earned income credit (EIC) and additional child tax credit (ACTC) if their 2019 earned income is more than their 2020 earned income. This election is made on the Basic Information>Personal Information page. COVID19 will automatically appear in the Designation box when the check box is selected for Taxpayer wishes to elect to use their 2019 earned income to figure their 2020 earned income credit and/or child tax credit. Manually enter 2019 earned income in the Prior Year Earned Income for Disaster Victims box.

## Common EIC Filing Errors

- Claiming a child who doesn't meet the residency and relationship requirements
- Married taxpayers incorrectly filing as a single or head of household
- Incorrectly reporting income, particularly income and expenses from self-employment
- Incorrect Social Security numbers