

# 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:** Certain taxpayers affected by a federally declared disaster area may elect to calculate their earned income credit (EIC) and additional child tax credit (ACTC) by substituting their earned income from the preceding taxable year if more than the year of the applicable qualified disaster. Search the IRS website for "Tax Relief in Disaster Situations" for more information.

## 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