



State of New Jersey Employer Compliance Earned Income Tax Credit Notification

Did you know that employers in the State of New Jersey are required to notify all of their employees about both the federal and New Jersey Earned Income Tax Credit (EITC)? Senate Bill 753, Public Law 2005, Chapter 210, requires all public and private employers of New Jersey to provide written notification that they may be eligible for the state and federal EITC.

Do We Need to Comply?

Yes. All employers are required to notify all of their New Jersey based employees of the state and federal Earned Income Tax Credit (EITC).

Employers' Compliance Obligations

The notification is to be distributed between January 1 and February 15 of each year to coincide with the employer's distribution of the wage and tax withholding statement.

The employer shall notify only those employees whom the employer knows, or reasonably believes, may be eligible for the federal credit based on the wages the employee earned during the prior year as reported in the statement of wages and tax withholding. Eligibility for the federal earned income tax credit is based on an employee's earned income and adjusted gross income, filing status, and the number of qualifying children he or she has (if any).

You must provide a hard copy notice to your employees by either handing it directly to your employee or mailing it to your employee's last known address. Posting of this information on an employee bulletin board or intranet will not satisfy the notification requirement.

Sample Notice

The following notice was sent to all ADP payroll clients in their W2 packages and it is the employer's responsibility to distribute those notices to individual employees, you can find a copy of this notice on our website [here](#).

The New Jersey State Treasurer has developed the following written notification. This language must be used for all notices. To view please [click here](#).

Other States with Similar Requirements

In addition to New Jersey, several states have instituted laws requiring that employers notify employees of their potential eligibility for getting reimbursements through the Federal Program Earned Income Tax Credit (EITC). These states are California, Illinois, Louisiana, Maryland and Texas. Employers in these states should review notices provided to them through their payroll provider to ensure compliance with all applicable requirements. *If HR Knowledge is your payroll provider and you have employees in those states, please contact us.*



Key Points and Next Steps for Employers

- Notices must be provided to all employees between January 1 and February 15 of each year to coincide with the employer's distribution of the wage and tax withholding statement.
- Employer must provide a hard copy written notice by either handing it directly to your employee or mailing it to your employee's last known address.
- Employers should utilize the sample notices provided at the links above.

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