



NCUA Media Release

NCUA Raises Awareness of the Earned Income Tax Credit

Credit Unions Should Remind Their Members of Eligibility

ALEXANDRIA, Va. (Feb. 14, 2013) – The National Credit Union Administration (NCUA) is joining the Internal Revenue Service and other federal agencies to inform qualified taxpayers and remind credit unions providing tax assistance services of the Earned Income Tax Credit (EITC). For the 2012 tax year, the EITC can return up \$5,891 to eligible taxpayers, helping to improve the financial situation of low- to moderate-income families.

Congress originally created the tax credit in 1975 to offset, in part, the burden of Social Security taxes and to provide an incentive to work. Income and family size usually determine the amount of the EITC, but individuals without children may also qualify. The tax credit goes directly to families who can use these funds to cover living expenses, rebuild their savings or invest it in their local communities.

“Because they have a statutory mission to meet the credit and savings needs of consumers, especially people of modest means, credit unions are in a prime position to educate their members about and assist families in obtaining the EITC,” said NCUA Board Chairman Debbie Matz. “We hope credit unions that have members who qualify for the credit will carry this message, especially those credit unions that participate in NCUA’s Volunteer Income Tax Assistance Initiative.”

Under the Volunteer Income Tax Assistance Initiative, NCUA previously provided grants up to \$25,000 to credit unions starting or expanding their tax assistance programs. These funds are used to offset the administrative and operational costs associated with these services, such as computers, software, consultation fees, and marketing and advertising expenses. NCUA approved these funds during the 2012 grants application period.

During the 2011 tax session, credit unions that participated in the Volunteer Income Tax Assistance Initiative completed 23,979 tax returns and returned \$13,961,738 in Earned Income Tax Credits to their members and communities.

Funding for NCUA’s Volunteer Income Tax Assistance Initiative is provided by the Community Development Revolving Loan Fund, which Congress created to support credit unions that serve low-income communities. NCUA’s Office of Small Credit Union Initiatives (OSCU) administers these funds under its grant and loan programs.

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NCUA's OSCUI fosters credit union development and the effective delivery of financial services for small credit unions, new credit unions and credit unions with a low-income designation.

For more information about the Earned Income Tax Credit, visit www.mycreditunion.gov or www.eitc.irs.gov.

NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of nearly 94 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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