

## Be Generous

Stanley Greenfield, RHU

That's right, I said be generous. Your employees deserve it. They are tired of hearing your sob stories about how the insurance companies are holding up your money, and that you have bills too. They don't care about your HEAL and GSL payments. They want more of what they think you have a lot of, and I don't mean bull! I am referring to money, green stuff, dinero, bucks, cash, or whatever you call it. It's time to dust off the cash box and pass some of those dollars on to those more deserving, and the time to do it is now. I think they deserve a bonus of at least \$428 net. That's right, I said net. What else are you going to do with the money?

Are you surprised that I am advocating a raise for your employees? Do you have the feeling that maybe I'm losing it? Are you thinking that it just doesn't fit with the other Greenfield Rules of Economics? Well, if that is what you are thinking you are dead wrong. Dead wrong because I am not asking you to give them the raise. I am asking Uncle Sam to give them the raise, and the money is there just for the asking. Now, do I have your interest?

I am referring to a new part of the Earned Income Credit for families that buy health insurance. Families that earn less than \$21,250 and pay for part or all of their health insurance that covers at least one dependent child, can get the cash, not from you, but direct from the IRS. The maximum they will receive is \$428. All that is required to receive the money is file an income tax return and show that you paid for health insurance, and the IRS will refund the credit. Even if you don't owe any taxes, you can still get the money.

The credit applies to any policy that the person may own, as long as it is a health insurance policy. It does not have to be a policy underwritten by a government agency. It can be group or individual and with any company. Think about that for a minute. You may have a group policy in your office and your premiums are eating you alive, so you have been thinking about having the employees pay part of the cost. Maybe you already have them paying part of the premium and they complain about it all the time. Now you can have your cake and eat it too! You can cut your cost and the IRS will pay the difference.

You say you have an employee that wants to take advantage of the credit in advance? Well, have no fear because that can be done. All the employees has to do is to complete an IRS Form W-5, and submit it to you, and they will get the credit on each paycheck. What if they get too much of a credit, is there a tax penalty? No, all they have to do is to pay back the overage.

By the way, there are other cash benefits that the Earned Income Credit can provide your employees, and the out-of-pocket cost to you is zero, nada, zilch, nothing. Not a penny, peso, shekel, drachma, or lira. This is truly a win-win proposition. You give your employees a raise and Uncle Sam pays for it.

By now you should be dialing your accountant to find out why they didn't tell you about this benefit. Yeah, why didn't they tell you about this? Well, before you do why not get a free, yes, I said free, booklet from the IRS on that very subject. Now pick up the phone and dial 1-800-TAX-FORM, and ask

for the free booklet on Earned Income Credits. By the way, don't feel bad about asking for the free booklet. If you really think it's free, look at your overall tax bill and remember how they get the money to print all those fancy free booklets. In fact, while you are on the phone, ask for any other free booklets that they may have that can be of help to you in getting a better handle on your overall tax situation. They have lots of those free booklets and you might as well get your share.

I know that \$428 is not a lot of money, but if you have an employee who qualified for the full amount, that's equal to a \$500 raise in their tax bracket. That is better than a poke in the eye with a sharp stick! How much of a credit will your employees get? That depends on their income and dependent status, so just call and get the booklet, excuse me, the free booklet, and see for yourself. The overall Earned Income Credit can be as much as \$2,000, and the cost to you as the employer is still nothing. I know it may sound too good to be true, but some things are.

As I said at the beginning of this article, it's time to be generous and give your employees a raise, so dig deep into the pockets of the Internal Revenue Service and enjoy. It's time that the IRS found out that it is better to give than to receive.

Your comments and inquiries may be directed to:

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Please include a self-addressed, stamped envelope. Thank you.

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