



CALIFORNIA

California Updates EITC Employer Notification Requirements

On July 10, 2023, California adopted [Senate Bill \(SB\) 131](#) to update requirements for employers to notify their employees that they may be eligible for the earned income tax credit (EITC). Employers must comply with these new notification requirements beginning Jan. 1, 2024.

EITC Notification Requirement

Under the law, employers must notify all employees that they may be eligible for the federal and the California EITC. Existing law provides the form and manner of notification by employers and state agencies. The requirement applies to any California employer that is subject to, and is required to provide, unemployment insurance to their employees, under the state's Unemployment Insurance Code.

Notification Updates

SB 131 requires employers to notify all their employees that they may be eligible for [VITA](#), [CalFile](#), and other state and federal antipoverty tax credits, including the federal and the California EITC. This notification must take place within one week of when employers provide an annual wage summary, including, but not limited to, a Form W-2 or a Form 1099, to any worker.

Employers will also need to send a **second notification** to all employees during the month of March of the same year.

Notification Delivery

Employers may provide these notifications by handing them directly to their employee, mailing them to their employee's last known address or electronically. Under the law, employers cannot comply with notification requirements by posting a notice on an employee bulletin board or sending it through office mail. However, these methods of notification are encouraged to help inform all employees of [VITA](#), [CalFile](#), and state and federal antipoverty tax credit eligibility, including the federal and the California EITC.

Important Dates

July 10, 2023

California adopted SB 131.

Jan. 1, 2024

Compliance date for new EITC notification requirements.

This notification must take place within one week of when employers provide a Form W-2 or a Form 1099.

Provided to you by **Employco USA, Inc.**