

## Chapter 2.

# Rules If You Have a Qualifying Child



*If you have met all the rules in chapter 1, use this chapter to see if you have a qualifying child. This chapter discusses Rules 7 through 9. You must meet all three of those rules, in addition to the rules in chapters 1 and 4, to qualify for the earned income credit with a qualifying child.*

**Note.** You must file Form 1040 or Form 1040A to claim the EIC with a qualifying child. (You cannot file Form 1040EZ.) You must also complete Schedule EIC and attach it to your return. If you meet all the rules in chapter 1 and this chapter, read chapter 4 to find out what to do next.

**No qualifying child.** If you do not meet *Rule 7*, you do not have a qualifying child. Read chapter 3 to find out if you can get the earned income credit without a qualifying child.

### **Rule 7.** Qualifying Child

## **Rule 7** Your Child Must Meet the Relationship, Age, and Residency Tests

Your child is a qualifying child if your child meets three tests. The three tests are:

- 1) Relationship,
- 2) Age, and
- 3) Residency.

The three tests are illustrated in *Figure 2* on page 12. The paragraphs that follow contain more information about each test.

Relationship



### **Relationship Test**

Your child must be either your son, daughter, adopted child, grandchild, stepchild, or eligible foster child. The following definitions clarify the relationship test.

**Adopted child.** Your adopted child includes a child placed with you for adoption by an authorized placement agency, even if the adoption is not final. An authorized placement agency includes any person authorized by state law to place children for legal adoption.

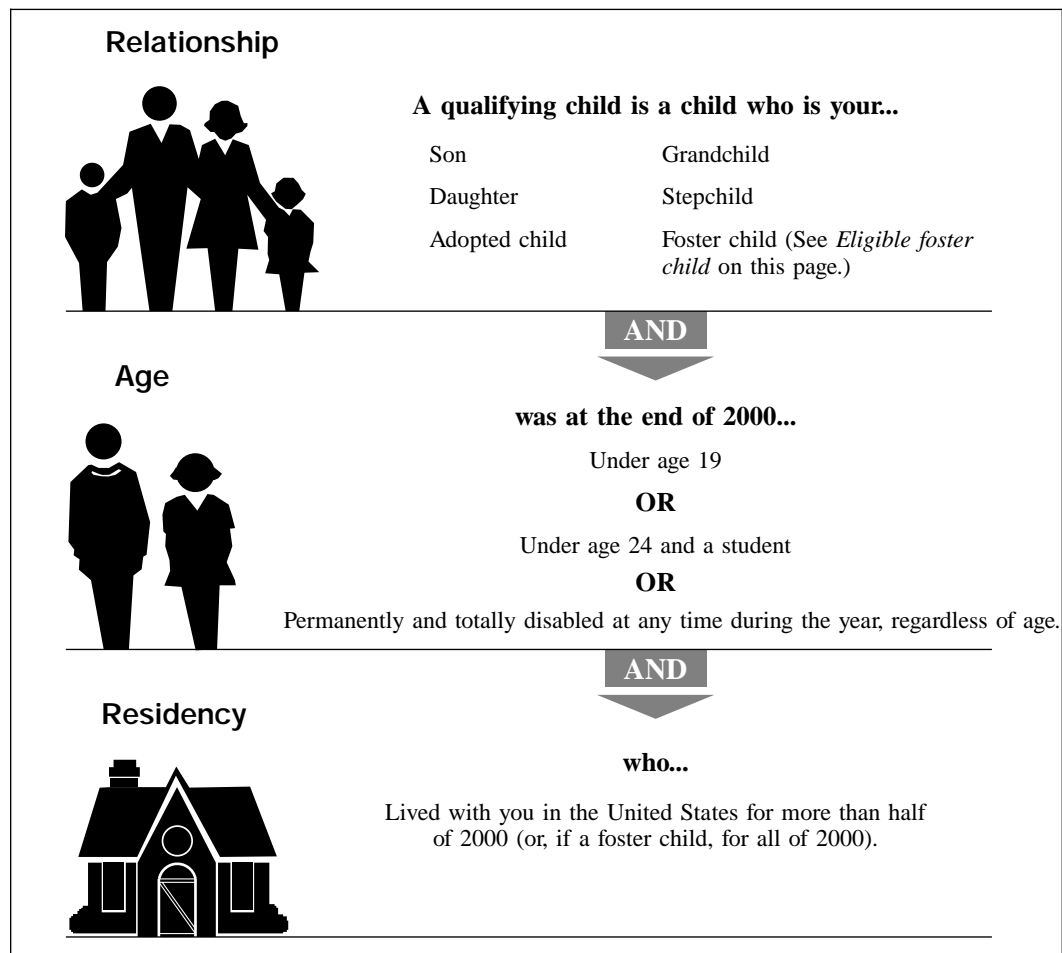
**Grandchild.** For the EIC, this means any descendant of your son, daughter, or adopted child. For example, a grandchild includes your great-grandchild, great-great-grandchild, etc.

**Child not a dependent.** Your child does not have to be your dependent to be a qualifying child, unless he or she is married.

**Married child.** If your child was married at the end of the year, he or she does not meet the relationship test unless either of these two situations applies to you:

- 1) You can claim the child's exemption, or
- 2) The reason you cannot claim the child's exemption is that you gave that right to your child's other parent:
  - a) When you completed Form 8332 or a similar written statement, or
  - b) In a pre-1985 agreement (such as a separation agreement or divorce decree).



**Figure 2. Tests for Qualifying Child**

**Eligible foster child.** For the EIC, a person is your eligible foster child if all the following are true.

- 1) You cared for that child as you would your own child.
- 2) The child lived with you for the **whole** year, except for temporary absences (explained on page 14). (A child who was born or died during the year is considered to have lived with you for the whole year if your home was the child's home for the entire time he or she was alive during the year.)
- 3) The child is your brother, sister, stepbrother, or stepsister; a descendant (including a child or adopted child) of your brother, sister, stepbrother, or stepsister; or a child placed with you by an authorized placement agency. An authorized placement agency includes any person authorized by state law to place children for legal adoption.

**Example.**  
*Eligible foster child*

**Example.** You and your sister live together. You are 30. Your sister is 15. When your parents died 2 years ago, you took over the care of your sister, but you did not adopt her. She is considered your eligible foster child because she lived with you all year and because you cared for her as you would your own child.