

Ohio Means Jobs

Work Opportunity Tax Credit (WOTC) program

Presented by the
Ohio Department of Job & Family Services

Welcome and Introductions

Ohio Department of Job & Family Services:
Office of Workforce Development
WOTC Unit

What is the WOTC tax credit?

An employer friendly benefit for hiring job seekers most in need of employment.

- Employers make the hiring decision.
- There are no limits to the number of new hires who can qualify an employer for the tax credit.
- Employee must start to work before December 31, 2011
- There is minimal paperwork needed to claim the tax credit.

- In most categories WOTC tax credit is up to \$2,400 for each new hire.
- For disabled veteran hires the amount can be up to \$9,600
- For unemployed veterans (non-disabled) the amount can be up to \$5,600
- For long term TANF (Temporary Assistance for Needy Families) recipients the tax credit can be up to \$9,000 (over a two year period) for each new hire.

For most categories:

- 25% of qualified first year wages for those employed at least 120 hours, but less than 400 hours
- 40% of qualified first year wages for those employed 400 or more hours
- Qualified wages are capped at the first \$6,000

For long term TANF recipients:

- 25% of qualified first year wages for those employed at least 120 hours, but less than 400 hours
- 40% of qualified first year wages for those employed 400 or more hours and 50% of qualified wages for the second year for those employed at least 400 hours
- Qualified wages are capped at \$10,000 per year

For Disabled Veterans category:

- 25% of qualified first year wages for those employed at least 120 hours, but less than 400 hours
- 40% of qualified first year wages for those employed 400 or more hours
- Qualified wages are capped at \$24,000 per year

For Unemployed Veterans category:

- 25% of qualified first year wages for those employed at least 120 hours, but less than 400 hours
- 40% of qualified first year wages for those employed 400 or more hours
- If unemployed at least 4 weeks but less than 6 months in the previous year qualified wages are capped at \$6,000 per year, or
- If unemployed at least 6 months in the previous year the qualified wages are capped at \$14,000

Eligible New Hires

Long Term TANF recipient

- Received or recently received Temporary Assistance to Needy Families (TANF) benefits for 18 consecutive months ending on the hire date, or
- Received TANF payments for any 18 months (whether or not consecutive) beginning after August, 1997 and the earliest 18 month period ended during the past two years, or
- Stopped being eligible for TANF payments because the Federal or state law limited the maximum time those payments could be made, and the individual is hired not more than 2 years after such eligibility ended.

Eligible New Hires

Other TANF recipient

- A member of a family that is receiving or recently received TANF benefits for any 9-month period during the 18-month period ending on the hiring date.

Eligible New Hires

Qualified Food Stamp Recipient

- An 18-39 year old member of a family that received Food Stamps for the past 6 months, **or** received Food Stamps for at least 3 of the past 5 months.

Eligible New Hires

Designated Community Resident

- An 18-39 year old resident of one of the federally designated Rural Renewal Counties (Crawford, Monroe, Paulding, Seneca and Van Wert Counties).

Eligible New Hires

Qualified Veterans

- A veteran who is a member of a family that is receiving or recently received Food Stamps for at least a 3-month period during the past 15 months, **or**
- A disabled veteran who is entitled to compensation for a service-connected disability **and** who, during the one-year ending on the hiring date, was: a) discharged or released from active duty in the U.S. Armed Forces, **or** b) unemployed for a period or periods totaling at least 6 months.

Eligible New Hires

Unemployed Veterans

- A veteran who has been discharged or released from active duty in the U.S. Armed Forces at any time during the 5-year period ending on the hiring date, **and either**
- Was unemployed for at least 4 weeks but less than 6 months during the 1-year period ending on the hiring date, **or**
- Was unemployed for 6 months or more during the 1-year period ending on the hire date.

NOTE: To be considered a veteran, the applicant must have served on active duty (not including training) in the Armed Forces of the United States for more than 180 days or have been discharged or released from active duty for a service-connected disability.

Eligible New Hires

Vocational Rehabilitation Referral

- An individual who completed or is completing rehabilitative services from a State certified agency, an Employment Network, or the U.S. Department of Veteran Affairs.

Eligible New Hires

Qualified Ex-Felon

- An individual who has been convicted of a felony and has a hiring date which is not more than one year after the last date on which he was so convicted or released from prison.

Eligible New Hires

SSI Recipient

- A recipient of Supplemental Security Income (SSI) benefits for any month which ended within the 60 day period prior to the hire date.

Eligible New Hires

Disconnected Youth – (This target group is currently expired)

- An individual who is certified as: 1) having attained age 16 but not age 25 on the hiring date, 2) not regularly attending any secondary, technical, or post-secondary school during the 6-month period preceding the hiring date, 3) not regularly employed during such 6-month period, **and** 4) not readily employable by reason of lacking a sufficient number of basic skills.

3 Easy Steps for Certification

1. Complete and mail the signed and dated IRS Form 8850 to ODJFS not later than 28 calendar days after the new hire's employment start date.
2. Complete and submit the one-page ETA 9061 form.
3. Submit any supporting documentation required.

3 Easy Steps for Certification

The required forms are available thru our website:

www.jfs.ohio.gov/wotc/

The IRS 8850 form can be completed online and printed.

The ETA 9061 form must be printed out for completion.

Submit

Mail the signed and dated IRS Form 8850, ETA 9061
and Supporting Documentation to:

**The Ohio Department of Job & Family Services
Office of Workforce Development
WOTC Section
P.O. Box 1618
Columbus, Ohio 43216-1618**

Supporting Documentation

ODJFS can verify benefits for TANF, Food Stamps and Long Term Family Assistance Recipients (and SSI when it is in combination with any of these three target groups) by accessing the state welfare registry. No supporting documentation is required from the employer.

Assistance may be requested from the employer in obtaining additional documentation as needed.

Minimum Employment or Retention Period

In addition to belonging to one of the target identified target groups, all new adult employees must work a minimum of 120 hours to qualify for WOTC.

Ineligible for the WOTC credit

- Relatives and dependents
- Former employees (non-qualifying rehires)
- Non-profit employers
- Subsidized wages

Important things to remember

- The IRS Form 8850 opens the request for a tax credit. The State Workforce Agency (SWA) must receive the original 8850, with original signatures of the employee and employer.
- The original 8850 must be postmarked by the US Postal Service, (postage meters are unacceptable), within 28 calendar days of the Start Date.
- It is suggested that the ETA 9061 and any supporting documentation be submitted with the IRS 8850.
- Employers need to keep copies of all forms (front and back) and documentation mailed. Proof of mailing is required to document timeliness.

On-Line Web Interface

- Tax credit requests may also be viewed and tracked on-line via the new Work Opportunity Tax Credit Web Interface.
- To set up an account for web access, employers may submit a letter with their Name, Address, Federal Employer Identification Number (FEIN) and the names and e-mail addresses of those individuals who will be using the system to:

**The Ohio Department of Job & Family Services
Office of Workforce Development, WOTC Section
P.O. Box 1618
Columbus, OH 43216-1618**

- A User ID and Password will be mailed to the employer when the account has been set up.

Contact Information

Telephone: 614-644-0966

E-mail: wotc_contact@jfs.oh.gov

Fax: 614-644-7102

Website: www.jfs.ohio.gov/wotc