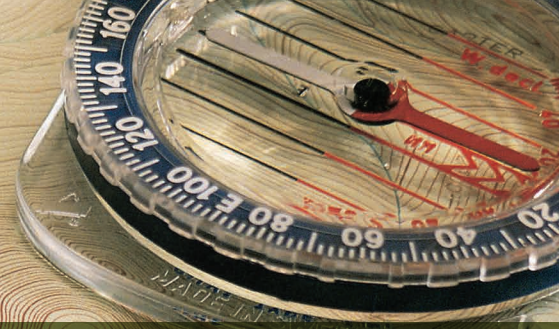




Work Opportunity Tax Credit



LEADING THE WAY TO TAX SAVINGS

The Work Opportunity Tax Credit (WOTC) program is a federal government initiative designed to increase employment opportunities for people who have certain barriers to employment. The employer receives a federal income tax credit that reduces its federal income tax liability. The business must have tax liability to use the credits. Unused credit can be carried back one year and carried forward for 20 years.

Estimated Annual Benefit For A Business Participating In The WOTC Program

INDUSTRY	ANNUAL BENEFIT RECEIVED BY BUSINESS		
	100 Hires	500 Hires	1,000 Hires
Construction	\$17,600	\$88,000	\$176,000
Food & Beverage	\$14,400	\$72,000	\$144,000
Healthcare	\$16,000	\$80,000	\$160,000
Hospitality	\$20,800	\$104,000	\$208,000
Manufacturing	\$12,800	\$64,000	\$128,000
Retail	\$17,600	\$88,000	\$176,000
Staffing	\$12,800	\$64,000	\$128,000

Case Studies

An Assisted Living Facility Client hires 2,322 employees and generates a WOTC of \$459,756.

A Hotel Management Client hires 9,743 employees and generates a WOTC of \$1,968,086.

Program Details

- The credit is equal to a percentage of the eligible employee's wages.
- WOTC encourages employers to hire from specific targeted groups.
- Employee must work at least 120 hours for employer to receive credit.
- Maximum WOTC is generally \$2,400 per employee (40% of the first \$6,000) over the first year of employment. However, the Veterans with a Service-Connected Disability target group does allow for a maximum credit of \$9,600.
- Employee must complete IRS Form 8850 on or before starting the job.
- Form 8850 must be postmarked within 28 days of start date and sent to the state Department of Labor for certification.
- WOTC law contains a sunset date which has been amended several times over the life of the program.
- Many states have credits that piggyback on the WOTC.



Corporate Tax Incentives

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Qualification Categories – Target Groups

Below we provide the details of the target groups. Please note that they are only provided for your reference to better understand how an individual qualifies for the program. The new employee must belong to one of the following target groups:

VETERAN TARGET GROUPS	Max Credit
Veterans with a service-connected disability who have been unemployed for at least 6 months in the past year	\$9,600
Veterans with a service-connected disability and hired within 1 year of their discharge/release date	\$4,800
Veterans who have been unemployed for at least 6 months.....	\$5,600
Veterans receiving Supplemental Nutrition Assistance Program (SNAP) benefits	\$2,400
Veterans who have been unemployed for at least 4 weeks but less than 6 months.....	\$2,400
NON-VETERAN TARGET GROUPS	Max Credit
SNAP recipients	\$2,400
Temporary Assistance for Needy Families recipients	\$2,400
Long-Term Family Assistance recipients who are members of a family that has received TANF benefits for at least 18 consecutive months	\$9,000
Supplemental Security Income recipients	\$2,400
Vocational rehabilitation referrals.....	\$2,400
Ex-felons	\$2,400
Designated community residents	\$2,400
Long-term unemployed (<i>In effect starting 2016</i>)	\$2,400
Summer Youth program participants who are 16 to 17 years old, work between May 1 and September 15, and live in a designated community area	\$1,200

Technology And Best Practices

The total benefit and overall experience is maximized as follows:

- 1) Working with the client to establish an effective program that minimizes any disruptions in their normal business operations including the following:
 - a. Proficient employee screening
 - b. Standard bilateral data exchange
 - c. Regular reporting and monitoring
 - d. Standard communication protocols between client and non-client personnel
 - e. Program goals and training development
- 2) Ability to streamline the process as follows:
 - a. Single point of contact with employee
 - b. Screening process to capture WOTC and other state point-of-hire programs
 - c. Use of eSignatures streamline the process and help increase employee qualification rates significantly

AccessPoint Platform

Our cutting-edge tax software, known as the AccessPoint Platform, is your entry point to streamlined project management that considerably reduces costs while expediting our services in the following areas:

- Assisting in the employee screening process to ensure all qualification categories have been properly reviewed and identified
- Captures the necessary qualification support and documentation
- Automatically generating prepopulated documents in support of the application process
- Automatically populating tax forms required for filing tax returns
- Integrating with HRIS, payroll and government systems to exchange data
- Providing automated credit calculators that use standard data templates

LEADING THE WAY TO TAX SAVINGS

How Does CTI Help?

Your Tax Navigator will help you uncover all of the employer tax credits for which your company qualifies. We look forward to guiding you toward taking advantage of the Work Opportunity Tax Credit (WOTC) program. To learn more, [contact us today](#).



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