

# HELP PUT AMERICA TO WORK

AND EARN FEDERAL INCOME TAX CREDITS  
FOR HIRING NEW EMPLOYEES



Things to *consider* when hiring new employees.

## WHO IS ELIGIBLE?

- TANF Recipients  
(Long & Short term)
- Veteran Food Stamps
- Disabled Veterans
- Ex Felons
- Vocational  
Rehabilitation
- Designated  
Community  
Residents-DCR
- Summer Youths
- Food Stamps
- SSI Recipients

*Designed to help move people from welfare into gainful  
employment and obtain on the job experience.*



in partnership with



# Don't let your Tax Credits go unused!

Every year billions of dollars in IRS tax credits go untouched due to the complexities and time required to apply and manage the process of obtaining Work Opportunity Tax Credits (WOTC) and Welfare to Work Tax Credits. Your company's Tax Credits could average around **\$2,400** per year for each qualifying employee as high as **\$9,600**.

## We do the work!

- We train your front line HR staff responsible for hiring. We provide the necessary government forms and show your staff how to ensure that job applicants complete the forms properly.
- We check eligibility, enter the data into our system and forward the forms to the appropriate state office. The state will issue a certification based on the employee's qualifications and returns the certification notice to us.

*No up front fees necessary,  
fees for services due when  
credit is earned.*

Form 8850 (Rev. March 2015)  
Department of the Treasury  
Internal Revenue Service

**Pre-Screening Notice and Certification Request for the Work Opportunity Credit**

Job applicant: Fill in the lines below and check any boxes that apply. Complete only this side.

Your name \_\_\_\_\_

Street address where you live \_\_\_\_\_

City or town, state, and ZIP code \_\_\_\_\_

County \_\_\_\_\_

You are under age 40, enter your date of birth (month, day, year) \_\_\_\_\_

Telephone number \_\_\_\_\_

Social security number \_\_\_\_\_

OMB No. 1545-1500

2  Check here if you received a conditional certification from the State Workforce Agency for the work opportunity credit.

Check here if any of the following statements apply to you during the past 18 months (stamp) for at least 90 days:

- I am a member of a family that has received a conditional certification from the State Workforce Agency for the work opportunity credit.
- I am a veteran and a member of a family that has received a conditional certification from the State Workforce Agency for the work opportunity credit.
- I was a member of a family that has received a conditional certification from the State Workforce Agency for the work opportunity credit.

## How to apply

To apply for Work Opportunity Tax Credits (WOTC), employers should follow these steps:

1

### YOU

Complete the IRS Form 8850 by the day the job offer is made.

2

### WE

Complete ETA Form 9061, or complete ETA Form 9062 if the employee has been conditionally certified as belonging to a qualified target group by a State Workforce Agency, Vocational Rehabilitation agency, or another participating agency.

3

Submit the completed and signed IRS and ETA forms to your State Workforce Agency. Forms must be submitted within 28 calendar days of the employee's start date.

4

### AFTER

The target group employee is certified by the State Workforce Agency, we file for the tax credit with the Internal Revenue Service on your behalf.

## Targeted Groups — who is eligible?

### Category A

#### TANF Recipients

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Individuals who have received financial benefits under the AFDC (Aid to Families with Dependent Children) or the successor program, TANF (Temporary Aid to Needy Families). The employee must have received at least any 9 months of benefits within an 18 month period dating back from their hire date. Medicaid or Medicare are not qualifying IV-A benefits. This tax credit for new hires employed 400 or more hours is 40% of qualified wages for the first year of employment; the credit for new hires employed 120 to 399 hours is 25%. Qualified wages are capped at \$6,000.

### Category B1

#### Veteran Food Stamps

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Veterans who are members of a family that received food stamps for at least three consecutive months during the 15 months prior to date of hire. Documentation such as the Veterans DD 214 or other forms of official documentation is needed to establish proof of service. This tax credit for new hires employed 400 or more hours is 40% of qualified wages for the first year of employment; the credit for new hires employed 120 to 399 hours is 25%. Qualified wages are capped at \$6,000.

### Category B2

#### Disabled Veterans

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An expansion of the Veterans targeted group which includes a Veteran who is certified as entitled to compensation for a service-connected disability and having a hire date which is not more than one year after having been discharged or released from active duty in the Armed Forces of the United States or having been unemployed for six months or more (whether or not consecutive) during the one year period prior to the hire date. A service-connected disability is defined as having a disability rating of 10 percent or higher according to Section 101 of Title 38, U.S.C. Qualified first-year wages for this category are \$12,000.

### Category C

#### Ex Felons

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Individuals convicted of a felony and/or has been released from incarceration within the previous 12 months from date of hire. If the individual was sentenced directly to probation, work release, community corrections without being incarcerated, a letter from the case worker, parole officer, or halfway house to document the status is required. Date of birth is necessary for this category. This tax credit for new hires employed 400 or more hours is 40% of qualified wages for the first year of employment; the credit for new hires employed 120 to 399 hours is 25%. Qualified wages are capped at \$6,000.

### Category D

#### Designated Community Residents

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A DCR is an individual that is certified by the SWA/DLA as having attained the age of 18 but not 40 on the hire date and his/her principal place of abode is within an EZ, RC or Rural Renewal County. This tax credit for new hires employed 400 or more hours is 40% of qualified wages for the first year of employment; the credit for new hires employed 120 to 399 hours is 25%. Qualified wages are capped at \$6,000.

### Category E

#### Vocational Rehabilitation

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Individuals who are currently receiving rehabilitative services, or has completed services within 2 years of the hire date. These individuals need to have an IWPE (Individualized Written Plan of Employment) to support those services rendered under the Rehabilitation act of 1973 or under Chapter 31 of Title 38, U.S. Code. This now includes work plans that have been developed and implemented through an Employment Network. This tax credit for new hires employed 400 or more hours is 40% of qualified wages for the first year of employment; the credit for new hires employed 120 to 399 hours is 25%. Qualified wages are capped at \$6,000.

### Category F

#### Summer Youths

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Covers qualified summer youth ages 16 through 17 on the hiring date who reside in an Empowerment Zone, Enterprise Community, or Renewal Community. The period of employment is between May 1 and September 15. Youths must not have been employed by the same employer prior to the 90 day (summer) period between May 1 and September 15. However, in the event an individual, who was a "Qualified Summer Youth" meets the eligibility criteria for another target group, that individual may be recertified, and qualify the employer to claim the remainder balance of the one-year tax credit. The total period of eligibility for the credit, including the time the individual is certified as a "Qualified Summer Youth" employee, cannot exceed one year.

The tax credit for this group is calculated at a rate of 25% of the qualified first year's wages up to \$3,000. This allows a maximum credit amount of \$750. For those employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified wages up to \$3,000.

Benefit Providers promotes the hiring of individuals who qualify as members of target groups, by providing a federal tax credit incentive of up to **\$9,600** for employers who hire them. Individuals qualify according to their personal and family status and the location of their residence.

### Category G

#### Food Stamps

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Individuals who are 18 thru 39 years old and is a member of a family that is receiving Food Stamps. The recipient must have received 6 continuous months of benefits under the Food Stamp Act of 1977 dating back from the hire date. In addition, the recipient can qualify by being an able-bodied adult without dependents if they received 3 continuous months of Food Stamps within the previous 5 months dating back from the hire date. This tax credit for new hires employed 400 or more hours is 40% of qualified wages for the first year of employment; the credit for new hires employed 120 to 399 hours is 25%. Qualified wages are capped at \$6,000.

### Category H

#### SSI Recipients

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Individuals who received Supplemental Security Income benefits for any month during the 60 days prior to date of hire. This tax credit for new hires employed 400 or more hours is 40% of qualified wages for the first year of employment; the credit for new hires employed 120 to 399 hours is 25%. Qualified wages are capped at \$6,000.

### Category I

#### Qualified Long-Term Family Assistance Recipients

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Any individual who has received Temporary Assistance to Needy Families (TANF), or a successor program, for at least 18 consecutive months ending on the hiring date, or has received TANF for a total of at least 18 months, whether or not the months are consecutive, beginning after August 5, 1997, and whose hiring date is not more than two years after the end of the earliest 18-month period, or whose TANF eligibility expired, and has a hiring date within two years of the TANF eligibility expiration date, but after August 5, 1997.



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## Why use Benefit Providers?

Benefit Providers and partner ECCA Payroll Services are based in Alexandria, VA, and have saved many of our local corporations and nonprofit organizations thousands in expenses by offering programs in retirement savings, benefit administration, time and attendance systems, payroll and HR services.

“With all of the taxes and expenses adding up for small business owners, it's nice to find ways we can hire great workers and get some tax relief.”

**Ben R.**  
Business Owner  
Alexandria, VA

## Interested in our services?

Please contact **Joel Bernstein**, ECCA Payroll Services/  
Benefit Providers LLC

**Call:** 703.370.2226

**Email:** [jbernstein@benefitproviders.com](mailto:jbernstein@benefitproviders.com)

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