



WHY IS WOTC A GREAT OPPORTUNITY FOR EMPLOYERS OF VETERANS?

Veterans are . . .

- A highly skilled workforce
- Tech savvy
- Leaders
- Motivated

Employers . . .

- Veterans help meet your workforce needs
- There is no limit to the number of new hires
- There is minimal paperwork needed to claim the tax credit

WOTC: AN EMPLOYER BENEFIT FOR HIRING VETERANS MOST IN NEED OF EMPLOYMENT

For Agency Use:

For more information on where to apply or get the application forms, visit our Web site at:

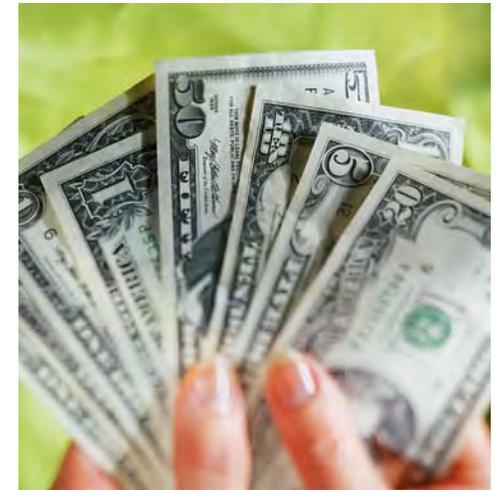
<http://www.doleta.gov/business/Incentives/opptax>

or IRS's Web site at:

<http://www.irs.gov>

The Work Opportunity Tax Credit \$OLUTION

Puts Tax Savings in the Palm of Your Hands



U.S. Department of Labor
Employment and Training Administration
August 2009

THE BOTTOM LINE

The Work Opportunity Tax Credit (WOTC) is a federal tax credit that offers an incentive for private sector businesses to hire individuals from 12 targeted groups that have consistently faced significant barriers to employment, including Veterans.

Depending on the employment scenario, private sector businesses may be eligible to reduce their federal income tax liability by as much as:

Target Groups ¹	% Credit & Retention Period	Maximum Credit
All Adult Groups/Vets	25% if work at least 120 hrs.	\$1,500
All Adult Groups/Vets	40% if work 400 hrs/ more	\$2,400
Disabled Vets ²	25% if work at least 120 hrs.	\$3,000
Disabled Vets	40% if work 400 hrs/ more	\$4,800
Long-Term TANF ³ Rec.	2-yr combined period	\$9,000

1. Qualified 1st-year wages are capped at \$6,000 for all adult target groups, including veterans.
2. The cap on qualified first-year wages for *disabled veterans* was increased from \$6,000 to \$12,000 resulting in a bigger tax credit.
3. Employers hiring from this group receive a two-year credit for each new hire. It has different wages and credit percentages.



HIRE FROM AMONG THESE GROUPS

The WOTC applies only to new employees who begin to work after December 31, 2005, and before September 1, 2011. The new employee must belong to one of the following targeted groups:

- **Disabled Veterans** entitled to compensation for a service-connected disability and hired within one year of discharge or release from active duty or unemployed for at least 6 months of the year ending on the hiring date; or
- **Veterans** who are members of a family that received food stamps for at least a 3-month period during the 12-month period ending on the date of hire; or
- **Unemployed Veterans** entitled to compensation for a service-connected disability and who during the past year, were: discharged or released from active duty at any time during the 5-year period ending on the hiring date; and who are unemployed and receiving unemployment compensation for a period or periods totaling at least 4 weeks during the one year ending on the hiring date; or
- **Vocational Rehabilitation Referrals** - Disabled persons who completed or are completing rehabilitative services approved by a state-certified agency, the Ticket-to-Work program, or the U.S. Department of Veterans Affairs; or

- **Long-Term TANF Recipients** - Any veteran who is a member of a family that received or is receiving Temporary Assistance for Needy Families benefits may also be eligible under this target group.

3 SIMPLE STEPS TO APPLY:

Employers apply for and receive certification from their State Workforce Agency (SWA) that the new hire is a member of a target group before they can claim the Work Opportunity Tax Credit. To apply:

1. Complete IRS Form 8850, *Pre-Pre-Screening Notice and Certification Request for the Work Opportunity Credit*, by the date of the job offer; **AND**
2. Complete *one* of the following U.S. Department of Labor forms:
 - ETA Form 9061, *Individual Characteristics Form*, if the new hire has not been given an ETA Form 9062; **OR**
 - ETA Form 9062, *Conditional Certification Form*, if provided to the job seeker by a SWA, Vocational Rehabilitation or Participating Agency; **AND**
3. Mail the signed and dated IRS and ETA forms to the respective state workforce agency not later than 28 calendar days after the new hire begins work.