

Work Opportunity Tax Credits (WOTC) 101

Companies can maximize their tax credits through programs that support hiring from targeted populations, including veterans, individuals with disabilities and long-term welfare recipients. Here's your comprehensive guide to the groups that qualify for WOTC.

 = Max Tax Credits Per New Hire



GROUP 1

Short-Term Temporary Assistance for Needy Families (TANF) Recipient

After being laid-off last year from her part-time administrative job, Suzy and her family have been on TANF for nine months. During that time, Suzy took bookkeeping classes sponsored by her state to increase her skills. Suzy now has a full-time administrative job at a federal contractor that wanted to take advantage of WOTC.

 **\$2,400**



GROUP 3

Qualified Ex-Felons

Jerry was at the wrong place at the wrong time and ended up incarcerated for a few months. After getting out, a local construction company hired him as a laborer to maximize its tax credits.

 **\$2,400**



GROUP 4

Designated Community Resident

Jimmy graduated high school in Camden, New Jersey but wasn't sure if traditional college was the right choice. He chose an apprenticeship as a machinist, and a company offered him a job when he completed his training. The company not only got a trained machinist, but benefited with a significant tax credit from the hire.

 **\$2,400**



GROUP 5

Vocational Rehabilitation Referral

Steven, a very talented accountant, lost the use of his legs in a car accident. After completing state-sponsored rehabilitation following his accident, he was hired by a company looking to maximize its WOTC.

 **\$2,400**



GROUP 7

Food Stamp (SNAP) Recipient

While working her way through college, Emily and her family relied on food stamps to make ends meet. After learning of the potential tax credit savings, a local clothing retailer offered Emily full-time employment.

 **\$2,400**



GROUP 9

Long-Term Family Assistance (LTFA) Recipient

Calvin's family lived in a small town where the majority of residents were employed by the local mill. When the mill closed its doors, Calvin and his family fell on hard times. With five months to feed, they were able to qualify and receive long-term TANF benefits for the last 20 months. Calvin was then able to find employment in another town where a manufacturer of large scale farming and mining equipment was able to take advantage of the WOTC for hiring Calvin.

 **\$2,400-\$9,600**

GROUP 2

^{2A} Qualified Veteran

After coming home from Iraq, Glen and his family fell on hard times and used food stamps to get by. A talented machinist, Glen now has a job thanks to WOTC.

 **\$2,400**

^{2C} Unemployed Disabled Veteran

Eric was injured on patrol in his final tour of Iraq, and has held jobs off and on in the years that followed as a handyman. A national home repair chain looking to maximize its tax credits hired Eric on as a full-time employee.

 **\$9,600**

^{2E} Unemployed Veteran (6 weeks)

Rick is a veteran of the Vietnam War who was recently laid off at his job. Family and health matters came up and Rick was unemployed for half the year. A major hotel group hired Rick at the end of the year and was able to offer a more robust benefits package to its employees with the money saved by the tax credits.

 **\$5,600**



^{2B} Disabled Veteran

Julie was on patrol in Afghanistan when she stepped on an IED, losing the use of one leg. Before joining the army, Julie spent several years as a bank teller. Upon returning from duty, a local bank hired Julie and used the money saved from the tax credits to invest in new training programs.

 **\$4,800**

^{2D} Unemployed Veteran (4 weeks)

Upon being honorably discharged from the Army, Robert was having trouble finding work for a couple of months. A talented computer programmer, Robert was hired full-time as an IT developer by a large government contractor who was able to offset the costs of an additional employee by the tax credits they gained.

 **\$2,400**

GROUP 6

Qualified Summer Youth

After graduating high school, Tonya needed a summer job in her hometown of Yonkers, New York. Motivated by WOTC, a local cleaning service hired her for the summer.

 **\$1,200**



GROUP 8

Supplemental Security Income Recipient

Anne started receiving social security income after a long career as a secretary for a brokerage firm. Needing some extra money, Anne decided to re-enter the workforce and was hired by a tax firm who were able to recoup some of the costs of their new office space with help from WOTC.

 **\$2,400**



GROUP 10

Qualified Long-Term Unemployment Recipient

Joe, a heavy machine operator, was laid off unexpectedly by his company. He received unemployment insurance while he was out of work for seven months. With the need for qualified help, a company hoping to increase its tax credits hired Joe.

 **\$2,400**



What is the maximum number of WOTC my company can qualify for?

This varies on a wide range of factors such as the state you are doing business in, the mix of WOTC candidates you hire, and pre-existing tax credits. Maximus has been in the tax credit business since 1978 and has the experience to make sure your organization receives the maximum amount of WOTC available. **Contact us today.**