

Hiring Incentives - WOTC, What is It? & Who Qualifies?

What is WOTC?

WOTC is a Federal tax credit created by the Small Business Job Protection Act of 1996 and the Welfare-to-Work Tax Credit of 1996. This credit is available to employers who hire and retain from target groups. Employers claim about \$1 billion in tax credits each year under the WOTC program. There is no limit on the number of individuals an employer can hire to qualify to claim the tax credit, and there are a few simple steps to follow to apply for WOTC.

What Types of Employees Qualify?

- Veterans
- TANF Recipients
- SNAP (Food Stamp) Recipients
- Designated Community Residents (living in Empowerment Zones or Rural Renewal Counties)
- Vocational Rehabilitation Referral
- Ex-felons
- Supplemental Security Income Recipients
- Summer Youth Employee (living in Empowerment Zones)

How are the Tax Credits Calculated?

Employers generally can earn a tax credit equal to 25% or 40% of a new employee's first-year wages, up to the maximum for the target group to which the employee belongs. Employers will earn 25% if the employee works at least 120 hours and 40% if the employee works at least 400 hours. The average benefit per employee is \$2,400.00.

If this is a Federal Law, Why Would we deal with Stryde? Could our accountant just file for this?

First, your accountant could file for the tax credit but the paperwork is extensive and using conventional sources could at best be marginal in return. It is a pre hiring process they would have to do. We simplify it with a very easy to use ap, and continue the process. It's far more cost effective to work with u.s

For information on this and other benefits your business may qualify for, contact me, Joe Leech, Senior Consultant, Stryde Services, 412 436 0104 or by email to jvleech@leechent.com