

WOTC application process

Employers must apply and receive certification from the Alaska WOTC Office before claiming credit on their federal income tax return. The new hire must belong to one of the eligible groups for the Work Opportunity Tax Credit. Original IRS form 8850 must be postmarked within 28 calendar days after the new hire start date.

Three-step application process to qualify new employees:

1. Complete IRS form 8850, January 2013, "Pre-Screening Notice and Certification Request for the Work Opportunity Tax Credits":
 - a. All applicants must complete and sign page one of the 8850 on or before the day a job offer is made.
 - b. To be eligible, the applicant must have checked appropriate boxes on the front of the form.
 - c. Once hired the employer completes and signs page two of the 8850.
2. Complete the following U.S. Department of Labor forms:
 - a. **ETA-9061, July 2013 version:** If the job applicant does not have a completed ETA-9062 from a service provider, complete ETA-9061, "Individual Characteristics Form."
 - b. **ETA-9062, April 2013 version:** Client service providers, such as Public Assistance or Vocational Rehabilitation, will provide job applicants with ETA-9062, "Conditional Certification" identifying them as a member of a WOTC target group. Job applicants will give this form to potential employers.

Employers will complete and sign the bottom section of the 9062, items 15 to 21. Ensure the form is signed by the applicant and service provider.

3. Mail the completed 8850, and ETA-9061 or ETA-9062 to:

**Alaska Department of Labor and Workforce Development
Employment Security Division
WOTC Coordinator
P.O. Box 115509
Juneau, AK 99811-5509**

The 8850 must be postmarked within 28 calendar days after the new hire start date and must have the employee's and employer's original signatures.

We will accept faxed or emailed 8850 forms. Forms 8850 must have employee's and employer's original or electronic signature and date signed.

If the application is certified, the WOTC office will send Form ETA-9063, "WOTC Employer Certification," to the employer to verify that the applicant is WOTC eligible and may qualify the employer for the federal tax credit. Retain the form for your IRS records.

Use IRS Form 5884, "Work Opportunity Credit," to file for the WOTC with the IRS.

For more information, and to download forms, visit the WOTC online:

jobs.alaska.gov/wotc.htm

You may also contact the WOTC coordinator directly at:

Phone: (907) 465-5952

Fax: (907) 465-8753

Relay Alaska: (800) 770-8973

A proud partner of the [americanjobcenter](http://americanjobcenter.org) network

We are an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.
Rev. 3/14

Work Opportunity Tax Credit

INFO SHEET



**ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT**

What is WOTC?

The Work Opportunity Tax Credit (WOTC) program offers federal tax credits to employers as an incentive to hire people in specific target groups.

Who does WOTC help?

WOTC helps both employers and targeted job seekers. Employers save as tax credits help reduce their federal business taxes. Job seekers qualifying as a member of one of the targeted groups gain an advantage in the job market.

WOTC target groups

- a. TANF recipient** — a member of a family that has received Temporary Assistance for Needy Families (TANF) through a program such as the Alaska Temporary Assistance Program (ATAP) for at least any nine months within the last 18 months ending on the hiring date.
- b. Veteran** — a member of a family that received food stamps for at least three continuous months within the last 15 months of hire OR, a disabled veteran entitled to compensation for a service-connected disability that is hired within one year of discharge or unemployed six of the last 12 months of hire OR, a veteran unemployed for a combined period of at least four weeks but less than six months within one year of hire date OR, a veteran unemployed for at least six months within one year of hire date.

- c. Ex-felon** — a person convicted of a felony and hired within one year of conviction or release date from prison.
- d. Designated community residents** — ages 18-39; must reside in an Empowerment Zone (EZ) or Rural Community (RC) or Rural Renewal County (RRC).
- e. Vocational rehabilitation referral** — a disabled person who is receiving rehabilitative services under an Individualized Plan for Employment (IPE) or has completed an IPE within the last two years of hire from a rehabilitation agency under a state plan or under a vocational rehabilitation program for veterans or an Employment Network under the Ticket-to-Work Program.
- f. Qualified summer youth** — ages 16 or 17; works between May 1 and Sept. 15; and must reside in an EZ or RC.
- g. Food stamp recipient** — ages 18 to 39, AND a member of a family that has received food stamps for the last six months ending on the hiring date.
- h. SSI recipient** — a person who has received Supplemental Security Income (SSI — under the Social Security Act) benefits for any month during the 60 days ending on the hiring date.
- i. Long-term Family Assistance recipient** — a member of a family who received TANF/ATAP 1) for at least 18 consecutive months ending on the hiring date, or 2) received any 18 months of benefits beginning after Aug. 5, 1997, with the 18th payment falling within the two years of hiring date.

How much is the employer's tax credit?

WOTC has a two-tiered tax credit based on the first \$6,000 of earnings.*

1. A 25-percent credit for workers who worked at least 120 hours but less than 400 hours, and;
2. A 40-percent credit for workers who worked at least 400 hours (\$2,400 maximum credit).

* *Qualified wages for WOTC* are the first \$6,000 of wages paid within the first year of employment to target group individuals.

Long Term Family Assistance (Target group I)

May be earned for the first two years of employment.*

1. 40 percent of qualified first year wages for a maximum \$4,000 1st-year credit.
2. 50 percent of the qualified second-year wages for a maximum \$5,000 second-year credit.

* *Qualified Wages for Long Term Family Assistance*: include the first \$10,000 of wages paid within each of the first two years of employment to a qualified individual. "Qualified wages" also include amounts paid to employees for accident and health plans, educational assistance programs, and dependent care assistance programs. An employee must work at least 400 hours or 180 days before a long-term family tax credit may be claimed.