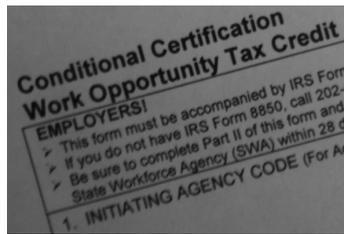


provide your company with **ETA Form 9062**. Complete the top portion of the form, then have the prospective job applicant carefully answer the characteristics questions. Be sure to include the necessary documentation to verify that your new hire meets the necessary requirements of the target group (see the ETA 9061 instruction sheet), make a copy for your records, then submit the original form to Job Service North Dakota.

- **ETA Form 9062 (Conditional Certification Form). A job applicant may present ETA Form 9062 when**



applying for a job. This form indicates the job seeker was tentatively determined as eligible for a WOTC target

group. Your company must hire the applicant by the date indicated in Question 15 in order to possibly qualify your company for a tax credit. Complete Part II of the form, make a copy for your records, then submit the original form to Job Service North Dakota. Re-verification of target group eligibility and the date listed in Question 15 on Form 9062 may occur by Job Service North Dakota.

- 4. **Mail the ORIGINAL forms and any necessary documentation to Job Service North Dakota (faxed or emailed forms cannot be accepted).** Before mailing, make sure the forms contain the required

signatures and are filled out completely. Keep copies of the forms for your records. **Mail all required forms together.** Should you need to mail Form 8850 separately to meet the 28-day filing requirement, write on the form that Form 9061 or 9062 is being mailed separately. **Mail forms to:**

State WOTC Coordinator
JSND - Workforce Programs
PO Box 5507
Bismarck, ND 58506-5507

- 5. **Job Service will review all forms and begin the verification process.** Verification determines whether the new hire meets the requirements of the target group. This process may involve requesting information from a third party or from your company or your company's designated representative. Some target groups take longer than others to verify.

- 6. **Once the new hire's eligibility is verified, Job Service will issue an Employer Certification.** The Employer Certification will be mailed to your company or your company's designated representative and lists the WOTC target group that was verified for the new hire. This information is needed for the tax credit calculation.

Once certified, your company is authorized to pursue a WOTC tax credit on the new hire from the Internal Revenue Service (IRS). NOTE: In order to claim the WOTC on a new hire, the new hire must work a minimum of 120 hours (exception: new hires qualified under the Summer Youth target group must work at least 90 days between May 1 and September 15 of the hire year).

Need More Information?

Contact the State WOTC Coordinator at Job Service North Dakota:

State WOTC Coordinator
JSND - Workforce Programs
PO Box 5507
Bismarck, ND 58506-5507

Phone: (701) 328-2997/(701) 328-2076
TTY: (800) 366-6888

JSND website: jobsnd.com/wotc

U.S. Department of Labor website: doleta.gov/business/incentives/opptax

Visit these websites to:

- download and print current forms
- compare potential tax credit savings for all target groups
- learn about the new hire requirements for each target group
- view ETA Handbook No. 408 that outlines the specific guidelines for the WOTC Program

IRS website: irs.gov
Type "Work Opportunity Tax Credit" in the search field.



WORKFORCE PROGRAMS
JSND-5006 (R. 1-11)

Job Service North Dakota is an equal opportunity employer/program provider. Auxiliary aids and services are available upon request to individuals with disabilities.

The Work Opportunity Tax Credit

Earn Federal Income Tax Credits for Your Company



JOB SERVICE North Dakota
jobsnd.com

Your Workforce Connection

What is the Work Opportunity Tax Credit?

The Work Opportunity Tax Credit (WOTC) is a federal income tax credit incentive provided to private-sector employers like you.

Your company may be eligible for WOTC when you hire from certain target groups of job seekers who face employment barriers.



You may be eligible for a **one-time tax credit for each new hire** — and there is no limit to the number of new hires who can qualify your company for a tax credit. Take the time to familiarize yourself with the WOTC Program and your business could be on its way to tax savings.

What are WOTC target groups?

WOTC target groups (see following table) are defined groups that contain criteria under which a new hire may qualify, depending upon his or her personal circumstances. **Each target group has specific requirements which must be met for the new hire to be verified for the program.** The target group is determined by the “yes” and “no” responses the new hire indicates on Form 9061.

The SNAP (Food Stamp) requirement differs between the SNAP (Food Stamp) Recipient and Veteran (SNAP) target groups. Visit the U.S. Department of Labor website, doleta.gov/business/incentives/opptax, for the requirements of each target group.

WOTC Target Groups	Maximum Tax Credit*	Age**
Designated Community Resident	\$2,400	18-39
Disconnected Youth	\$2,400	16-24
Ex-Felon	\$2,400	None
SNAP [†] (Food Stamp) Recipient	\$2,400	18-39
Summer Youth Employee	\$1,200	16-17
Supplemental Security Income (SSI) Recipient	\$2,400	None
TANF ^{††} Recipient-Long-Term Family Assistance (This target group has a possible combined 2-year maximum tax credit of \$9,000.)	Year 1: \$4,000 Year 2: \$5,000	None
TANF ^{††} Recipient-Short-Term IV-A	\$2,400	None
Veteran: -SNAP [†] (Food Stamp) Recipient -Service-Connected Disabled Veteran	\$2,400 \$4,800	None None
Unemployed Veteran	\$2,400	None
Vocational Rehabilitation Referral	\$2,400	None

[†]Supplemental Nutrition Assistance Program

^{††}Temporary Assistance for Needy Families

*The actual tax credit may vary depending upon the number of hours worked and whether the wage cap or actual wage amount is used in the tax credit calculation.

Age requirement as of **hire date.

How is the tax credit calculated?

The tax credit is calculated only on the qualified first-year wages paid or incurred to the new hire. Wages start accumulating on the employment start date. Two factors affect the calculation of the tax credit: 1) **the number of hours the new hire works determines the rate (percentage) that is applied**

to the qualified first-year wages; and 2) each target group has a first-year wage cap (maximum amount) to which the percentage is applied (if the new hire’s wages do not meet the wage cap, the actual wage amount is used). The number of hours worked is applied to a 2-tier system, with Tier 2 providing the highest percentage that is applied to the wage cap/actual wage amount (thus providing a higher tax credit).

ETA Handbook No. 408 (Section III) contains information on the tax credit calculation and is available on the U.S. Department of Labor website, doleta.gov/business/incentives/opptax. You can also visit irs.gov or consult with your company’s tax preparer for more information.

Who does not qualify for the WOTC program?

- Relatives or dependents
- Majority owners of the employer or
- Former employees

For more information on non-qualified individuals, see ETA Handbook No. 408.

How do you apply for WOTC and claim the tax credit?

1. When applying for WOTC, **obtain the current forms** from the U.S. Department of Labor website at doleta.gov/business/incentives/opptax. Read the instruction sheet for each form which explains how to properly complete and file the forms and provides other helpful information.
2. **Complete IRS Form 8850 (Completed by applicant and employer) (Pre-Screening Notice and Certification Request)**. IRS Form

8850 is required to apply for the WOTC. Give this form to the prospective job applicant and have the applicant complete and sign the front of the form on or before the date of the job offer. After the applicant is hired, your designated company representative completes and signs the back of the form and submits the signed original form to Job Service North Dakota.

Application for the tax credit must be made when the employee is a new hire.

When Job Service receives Form 8850, the form must contain the original signatures of the job applicant and the employer.



If original signatures are not on the form, or if signature areas are left blank, Form 8850 must be denied.

Form 8850 also has a specific filing requirement. The mailing envelope must contain a U.S. Postal Service postmark or postage meter mail stamp dated no later than the 28th calendar day after the date the new hire began work. If this requirement is not met, the request must be denied.

3. **Complete ONE of the following U.S. Department of Labor forms, as appropriate:**
 - **ETA Form 9061 (Completed by applicant and employer) (Individual Characteristics Form).** **Complete ETA Form 9061 if the new hire does not**