



Everything You Need to Know About Hiring Tax Incentives

HIREtech™ 

Value-Added Client Services



Michael Maddalone
Director of Sales
GTM

- Services beyond payroll and taxes
- WOTC - free money for you with little effort required
- No expense
- Clients from businesses of all sizes can participate

Ezrie Yellin

Product Manager
HIREtech

Our WOTC Partner

About HIREtech

HIREtech, is a technology focused human capital management solution and tax incentive firm helping companies save time and money. Exclusive technology enables companies to access real time data needed to make important hiring decisions.

HIREtech's HCM solutions include hiring tax incentives, employment and wage verification and unemployment claims management. Bridging the gap between human resources and financial executives, HIREtech delivers innovative technology and award winning customer service.

Overview of Hiring Tax Credit Programs

What is a tax credit?

Deduction vs. Credit

Deduction = direct reduction in taxable income

Applied **BEFORE** taxes are calculated

Ex: Taxable Income	\$100,000
Tax Deduction	(\$ 20,000)
<hr/>	
Total Taxable Income	= \$ 80,000

Credit = direct reduction of taxes due

Applied **AFTER** taxes are calculated

Ex: Taxes owed	\$36,000
Tax Credit	(\$20,000)
<hr/>	
Total Taxes Due	= \$16,000

Tax Credit Programs

- Federal
 - WOTC - Work Opportunity Tax Credit
 - FEZ - Federal Empowerment Zones
 - IEC - Indian Employment Credit
- State/Local
 - Georgia Job Tax Credit
 - Florida Enterprise Zone Job Tax Credit
 - CAEZ/CA New Employment Credit
 - Illinois Veteran
 - New York Youth
 - Many Many More

Work Opportunity Tax Credit -WOTC

- Created in 1996 - Successor to Targeted Jobs Tax Credit
- Encourages employers to hire individuals who face “barriers to hire”
- Available to all tax-paying companies in the 50 United States, Puerto Rico and the U.S. Virgin Islands.
- Employer must submit form 8850 and 9061 to State Workforce Agency within 28 days of the job start date.
- Employee must be screened for eligibility on or before the day the job offer is made.
- Credit up to \$9,600 per eligible employee
- Renewed for 5 years (1 year retro) on Dec. 18, 2015
- Credits carry forward 20 years, or back 1 year
- Can offset Alternative Minimum Tax (AMT)
- MUST IDENTIFY INDIVIDUAL AS ELIGIBLE FOR THE CREDIT ON OR BEFORE THE DAY OF THE JOB OFFER

Work Opportunity Tax Credit -WOTC

- Incentivize employers to hire individuals from targeted categories
- Prospective credit must identify eligible new hire before they start work
- Can be applied quarterly or annually against federal income tax liability
- Can be applied to Employer/Successor relationships

WOTC Target Groups

- Veterans
- Food Stamp Recipients
- Temporary Assistance for Needy Families (TANF)
- Summer Youth
- Ex-Offenders
- Vocational Rehabilitation Agency Referrals
- Long-Term Family Assistance Recipients
- Supplemental Security Income Recipients
- Designated Community Residents (DCR)
- Long-Term Unemployed

Maximum Tax Credit Available

Maximum Credit Available

- \$1,200 for each new Summer Youth* hired;
- \$2,400 for each new Adult hired;
- \$9,000 for each new Long Term Family Assistance Recipient hired over a two year period.

Veteran Credit Available

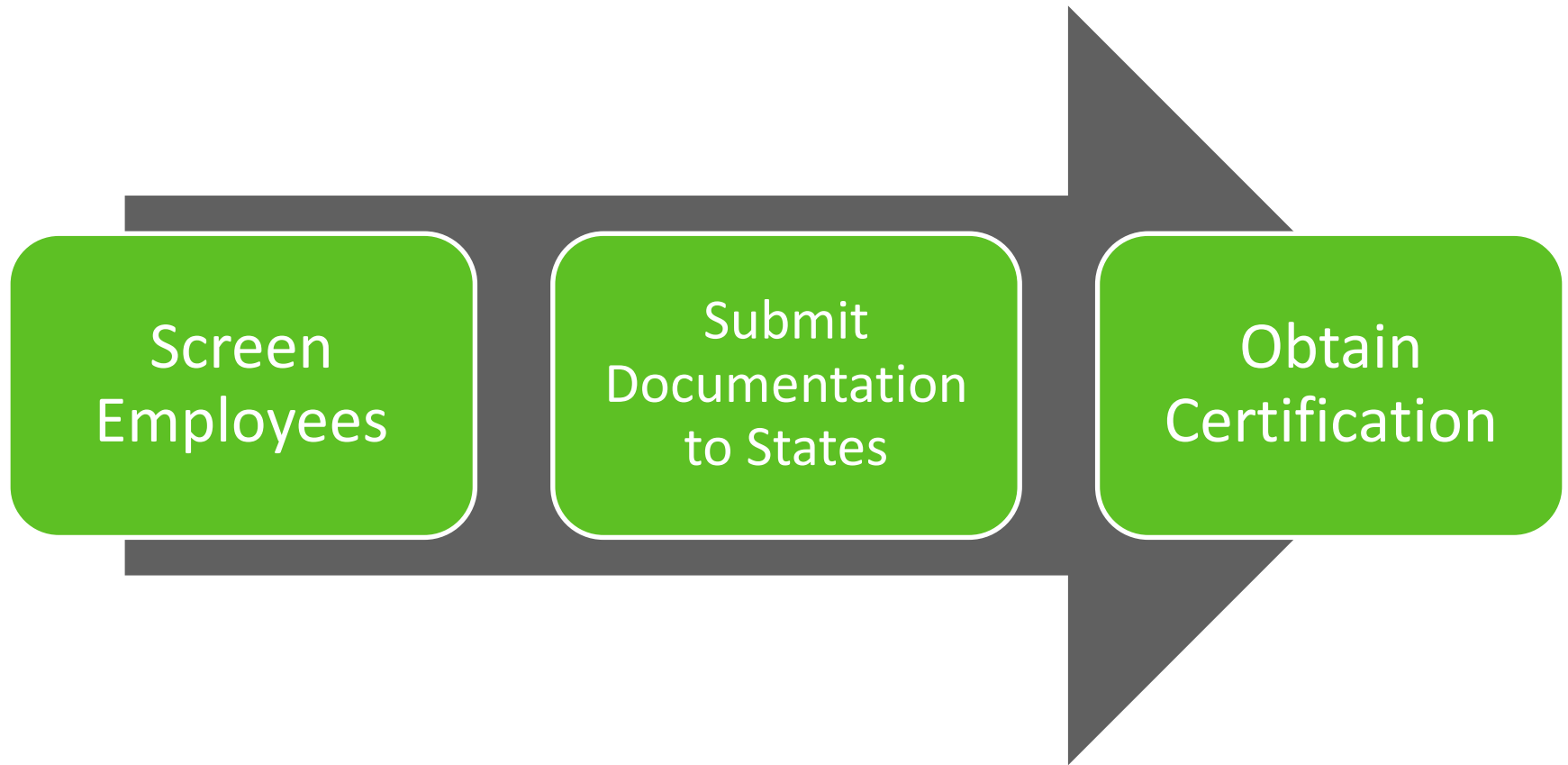
- \$2,400 for short term unemployed and food stamp recipients veterans
- \$4,800 for recently discharged disabled veterans
- \$5,600 for long term unemployed veterans
- \$9,600 for long term unemployed and disabled veterans

*The credit is based on 40% of up to \$6,000 in qualified wages during the first year of employment. Summer Youth qualify for 40% of the first \$3,000 in wages during the required working period of May 1 through September 15.

Minimum Employment or Retention Period

All new employees must work a minimum of 120 hours to qualify for the 25% credit rate
And 400 hours to qualify for the 40% credit rate.

How do companies claim the credits?



Screening Employees

- 3 Screening Options
 - Online
 - Paper
 - Phone

Submittal to State

- Employer or consultant data enter or upload file
- Timeliness is based on time of submission
- Completeness is assured
- Employer/Consultant certifies that documentation is in hand
- Staff reviews application and issues determination
- Determination is emailed back

Form 9061 Supporting Documentation

Every states' ability to electronically verify information is different, so please check with the local state coordinator to see what supporting documentation will be required.

- Some examples of supporting documentation for the different categories are as follows:
 - Birth Certificate
 - Driver's License
 - SSI Record or Authorization
 - Evidence of SSI Benefits
 - DD-214
 - TANF / Food Stamp Benefit History
 - Vocational Rehabilitation Agency Contact
 - Parole Officer's Name or Statement
 - W-4

This is just a partial list of some of the acceptable supporting documents.

Certification Timing

- All states run a backlog
- Can be a few weeks to a few years
- HIREtech maximizes speed to cert
 - State relations team
 - Backup documentation

Can Hiring Incentives Work for Your Company?

Target Markets

- Profitable and paying tax = can benefit from WOTC program
- Generally high turnover = high value
 - Restaurant
 - Retail
 - Healthcare
 - Manufacturing
 - Etc

How do know if you are using
the right WOTC provider?

Guide to assessing opportunity

- Screening compliance - should be 100%. Anything less is a missed opportunity
- Eligibility - between 15% and 30% depending on industry and location
- Certification rate - national average is 48%. HIREtech average at more than 70%
- Certification value - nationally around \$897 per certification. HIREtech certification value much higher

HIREtech Key Differentiators

- Certification rate
 - The national average for certification rate based on DOL numbers is 48%.
 - Some consultants will claim 50-60% for their success metrics.
 - HIREtech currently enjoys a 78% certification rate nationwide, independently verified by the state workforce agencies.

This means our clients capture more credits to the tune of up to a 65% increase in real usable dollars.

HIREtech Key Differentiators

- Technology

Our systems and data applications integrate across

- Applicant Tracking Systems (ATS)
- Onboarding
- Payroll
- HRIS Systems

This eases transition and implementation, and means clients do not have any technical development or integration that needs to be created or maintained.

HIREtech Key Differentiators

- Speed to Certification
 - Government Relations Team - HIREtech has a team visiting the states regularly to help process and certify our clients pending tax credits.
 - We identify and substantiate more credits than anyone else, but we do it faster than anyone else.

HIREtech Key Differentiators

- Speed to implementation
 - HIREtech is able to implement clients, and new client locations, in days - not weeks or months.
 - This reduces lost credit opportunities and ensures that clients realize the maximum potential of tax credit programs.

Innovative Technology

Screening - Employee Facing

HIRETech New Employee Screening Portal

Survey Questions

We ask that you please answer the following questions which will remain confidential:

Are you a veteran of the U. S. Armed Forces? *

Yes
 No

Have you or a family member ever received food stamps? *

Yes
 No

Are you a member of a family that has received cash assistance payments such as TANF (Temporary Assistance for Needy Families)? *

Yes
 No

Have you ever been convicted of a felony? *

Yes
 No

Did you receive a conditional certification from the state workforce agency (SWA) or a participating local agency for the work opportunity credit? *

Yes
 No

PREVIOUS NEXT

HIRETech New Employee Screening Portal

Logout

Survey Questions

We ask that you please answer the following questions which will remain confidential:

Are you a veteran of the U. S. Armed Forces? *

Yes
 No

Have you or a family member ever received food stamps? *

Yes
 No


Are you a member of a family that has received cash assistance payments such as TANF (Temporary Assistance for Needy Families)? *

Yes
 No

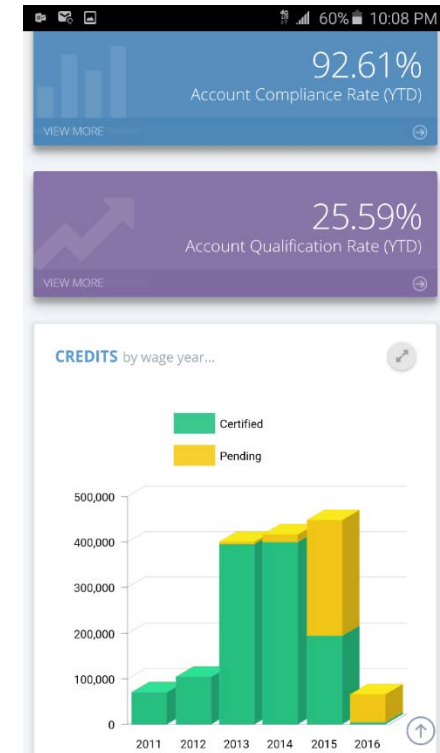
Have you ever been convicted of a felony? *

Yes

Mobile Friendly Screening



Dashboards - Employer Facing



Fully Mobile Enabled
Data Updated in Near Real-Time

Q & A

Michael Maddalone, Director of Sales

**GTM Payroll Services
7 Executive Park Drive
Clifton Park, NY 12065**

**GTM.com/business
Michael@GTM.com
(518) 881-0225**

Thank You for Attending!