

## WORK OPPORTUNITY TAX CREDIT PROGRAM

- WOTC is a Federal tax credit available to employers who hire and retain veterans and individuals from other target groups with significant barriers to employment. 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.

### Employer Information

To apply:

- Submit IRS form 8850 (Pre-Screening Notice and Certification Request for WOTC) and ETA Form 9061 ICF (Individual Characteristics Form) and **\*any supporting documentation within 28 days of your new hires start date (No exceptions.)** (All forms can -be found on the USDOL website [www.doleta.gov/wotc](http://www.doleta.gov/wotc) under the employer section/forms)
- Employers and consultants may submit their applications on-line <http://wotcnj.dol.state.nj.us/njwotc> Using the on-line system requires registration: Employers enter their FEIN and UI PIN (unemployment insurance personal identification number) to access the system.
- If you have forgotten your UI PIN call 609-292-5879.
- Employers may also mail their completed applications to the WOTC Unit / NJ Department of Labor & Workforce Development / P.O. Box 055 – 7<sup>th</sup> floor / Trenton, NJ 08625-0058 – **single applications** may be e-mailed to [WOTC@dol.nj.gov](mailto:WOTC@dol.nj.gov) – or faxed to 609-777-1768.

*\*Acceptable forms of supporting documentation can be found on the instructional page of ETA Form 9061*

### Who is eligible and how much is the maximum credit? (a full explanation can be found at [doleta.gov/wotc](http://doleta.gov/wotc))

Target Group	Maximum Tax Credit
<b>VETERANS</b>	
Receiving SNAP/Food Stamps	\$2,400
<b>VETERANS ENTITLED TO COMPENSATION FOR A SERVICE-CONNECTED DISABILITY</b>	
Hired one year from leaving service	\$4,800
Unemployed at least 6 months	\$9,600
<b>Veterans UNEMPLOYED</b>	
At least 4 Weeks	\$2,400
At least 6 Months	\$5,600
<b>OTHER TARGET GROUPS</b>	
Short-Term TANF Recipient	\$2,400
Long-Term TANF Recipient	\$9,000 (2 yrs.)
Vocational Rehabilitation Referral	\$2,400
Ex-Felon	\$2,400
SSI Recipient	\$2,400
Long Term Unemployed (1/1/2016)	\$2,400
SNAP (18-39 yrs. of age)	\$2,400

to that individual in the first year of employment, and the number of hours that individual worked. If an individual:

- works at least 120 hours = tax credit of 25% of the first year wages, up to the maximum tax credit.
- works at least 400 hours = tax credit of 40% of the first year wages, up to the maximum tax credit.

For the Long-term Temporary Assistance for Needy Families (TANF) target group, the credit is available to employers who hire members of this group for a two-year period. In the first year, employers may claim a tax credit equal to:

- 25% of the first-year wages, up to the maximum tax credit, if the individual works at least 120 hours.
- 40% of the first-year wages, up to the maximum tax credit, if the individual works at least 400 hours.

In the second year, employers may claim a tax credit equal to:

- 25% of the second-year wages, up to the maximum tax credit, if the individual works at least 120 hours.
- 50% of the second-year wages, up to the maximum tax credit, if the individual works at least 400 hours.

**NOTE: WOTC was recently reauthorized through 12/31/2025 retroactively from the date of expiration of 12/31/2020.**  
(Rev. 01/7/21)

### Who does not qualify?

You may NOT claim the WOTC:

- For wages paid to your relatives
- If you do not pay federal income tax
- If your company is not for profit (only VOW apps)
- For any employee who is a “rehire”
- For subsidized on-the-job training; HOWEVER, wages paid after the subsidy/contract expires may qualify for the credit. (NOTE: IF YOU HAVE ENTERED INTO AN OJT AND WILL BE APPLYING FOR THE TAX CREDIT AFTER THE TRAINING PERIOD, YOU MUST STILL SUBMIT THE PAPERWORK WITHIN THE 28 DAY DEADLINE OF HIRE)

**How does WOTC work?** - The tax credit employers can claim depends on the target group of the individual hired, the wages paid