

## THE WORK OPPORTUNITY TAX CREDIT

THE WORK OPPORTUNITY TAX CREDIT (WOTC) IS A FEDERAL TAX CREDIT AVAILABLE TO EMPLOYERS WHO HIRE INDIVIDUALS FROM ELIGIBLE TARGET GROUPS WITH SIGNIFICANT BARRIERS TO EMPLOYMENT.

WOTC REDUCES AN EMPLOYER'S COST OF DOING BUSINESS, REQUIRES MINIMAL PAPERWORK, AND APPLYING IS EASY. IT IS ABLE TO REDUCE AN EMPLOYER'S FEDERAL INCOME TAX LIABILITY BY \$9,600 PER EMPLOYEE HIRED.

THERE IS NO LIMIT ON THE NUMBER OF INDIVIDUALS AN EMPLOYER CAN HIRE TO QUALIFY TO CLAIM THE TAX CREDIT.

### WHO IS ELIGIBLE?

- EX-FELONS
- TANF RECIPIENTS
- VETERANS
- VOCATIONAL REHABILITATION REFERRALS
- SUMMER YOUTH EMPLOYEES
- SNAP (FOOD STAMP) RECIPIENTS
- DESIGNATED COMMUNITY RESIDENTS
- SUPPLEMENTAL SOCIAL SECURITY RECEIPTS.

THE TAX CREDIT IS BETWEEN \$1,200 - \$9,600 PER EMPLOYEE. EMPLOYEES MUST WORK 120 HOURS IN THE FIRST YEAR OF EMPLOYMENT TO BE ELIGIBLE.

### HOW DO EMPLOYERS APPLY?

1. GO TO [WWW.IRS.COM](http://www.irs.com) AND DOWNLOAD IRS FORM 8850. COMPLETE PAGE ONE OF FORM 8850 BY THE DAY THE OFFER IS MADE (COMPLETE PAGE TWO OF FORM 8850 AFTER HIRING THE PERSON).
2. COMPLETE ETA FORM 9061 OR ETA FORM 9062 IF THE EMPLOYEE HAS BEEN CONDITIONALLY CERTIFIED AS BELONGING TO A WOTC TARGET GROUP BY A STATE WORKFORCE AGENCY.
3. SUBMIT THE COMPLETED AND SIGNED IRS AND ETA FORMS TO YOUR STATE WORKFORCE AGENCY. FORMS MUST BE SUBMITTED WITHIN 28 CALENDAR DAYS OF THE EMPLOYEE'S START DATE.
4. WAIT FOR A FINAL DETERMINATION FROM YOUR STATE WORKFORCE AGENCY. IT WILL INDICATE WHETHER THE EMPLOYEE IS CERTIFIED AS MEETING THE ELIGIBILITY REQUIREMENTS FOR ONE OF THE WOTC TARGET GROUPS.
5. AFTER THE TARGET GROUP EMPLOYEE IS CERTIFIED BY THE STATE WORKFORCE AGENCY, FILE THE TAX CREDIT WITH THE IRS.

### MAKING MISSOURI COMMUNITIES STRONGER

FOR MORE INFORMATION EXPLORE:

[www.doleta.gov/wotc](http://www.doleta.gov/wotc)

[www.doleta.gov/business/incentives/opptax/eligible.cfm](http://www.doleta.gov/business/incentives/opptax/eligible.cfm)

[www.irs.gov](http://www.irs.gov)

## FEDERAL BONDING & THE WORK OPPORTUNITY TAX CREDIT



### HELPING MISSOURI GET BACK TO WORK

MISSOURI DEPARTMENT OF CORRECTIONS  
MISSOURI REENTRY PROCESS

## THE FEDERAL BONDING PROGRAM: U.S. DEPARTMENT OF LABOR INITIATIVE

THE FEDERAL BONDING PROGRAM WAS DEVELOPED IN 1966 BY THE U.S. DEPARTMENT OF LABOR TO EMPOWER EMPLOYERS TO VIEW EX-OFFENDERS AND OTHER AT-RISK JOB SEEKERS AS POTENTIAL EMPLOYEES RATHER THAN UNTRUSTWORTHY WORKERS.

FIDELITY BONDING IS A GUARANTEE OF EMPLOYEE JOB HONESTY. IT IS INSURANCE WHICH PROTECTS AN EMPLOYER AGAINST EMPLOYEE DISHONESTY.

- IT COVERS ANY TYPE OF STEALING: THEFT, FORGERY, LARCENY AND EMBEZZLEMENT.
- IT IS NOT A BAIL BOND, COURT BOND, OR A SELF-EMPLOYMENT BOND.
- IT IS DESIGNED TO PROVIDE EMPLOYERS WITH PEACE OF MIND AND EX-OFFENDERS OR AT-RISK JOB SEEKERS WITH MUCH NEEDED OPPORTUNITIES TO SECURE AND MAINTAIN GAINFUL EMPLOYMENT.

MANY INSURANCE COMPANIES VIEW ANYONE WHO HAS COMMITTED A FRAUDULENT OR DISHONEST ACT AS BEING "NOT BONDABLE". THE FEDERAL BONDING PROGRAM ALLOWS THE "NOT BONDABLE" TO BECOME "BONDABLE" BY DEMONSTRATING JOB HONESTY DURING THE SIX MONTHS OF COVERAGE. IT IS AN EMPLOYER INCENTIVE TO HIRE AN EX-OFFENDER.

### FIDELITY BONDING SERVICES ARE USER-FRIENDLY

- NO HASSLE APPROVAL PROCESSING: LOCAL STAFF INSTANTLY ISSUES BONDS TO EMPLOYERS
- NO COST: IT IS A FREE BOND
- NO PAPERS FOR EMPLOYERS TO SIGN
- NO TERMINATION ACTIONS REQUIRED FOR BOND
- NO DEDUCTIBLE IN BOND INSURANCE AMOUNT IF CLAIM IS FILED
- NO AGE REQUIREMENT (OTHER THAN LEGAL WORKING AGE)
- ANY JOB AT ANY EMPLOYER IN ANY STATE CAN BE COVERED BY THE BOND.

### WHO IS ELIGIBLE FOR FEDERAL BONDING?

ANY AT-RISK JOB APPLICANT IS ELIGIBLE, INCLUDING:

- EX-OFFENDERS, RECOVERING SUBSTANCE ABUSERS (ALCOHOL OR DRUGS), PERSONS WITH POOR FINANCIAL CREDIT, ECONOMICALLY DISADVANTAGED YOUTH AND ADULTS WHO LACK WORK HISTORY, DISHONORABLY DISCHARGED MILITARY PERSONNEL, AND OTHERS

### HOW CAN BONDS BE UTILIZED?

FIDELITY BONDS ISSUED TO EMPLOYERS COVERING AT-RISK APPLICANTS ARE OFFERED THROUGH THE FEDERAL BONDING PROGRAM BY TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA.

THE BONDS ARE ISSUED INSTANTLY TO BE IN EFFECT THE DAY THAT THE APPLICANT IS SCHEDULED TO START WORK. THE BONDS ARE SELF-TERMINATING AFTER SIX MONTHS FROM THE START DATE (NO TERMINATION PAPERWORK NEEDED).

THE BOND INSURANCE ISSUED RANGES FROM \$5,000 TO \$25,000 FOR SIX MONTHS WITH NO DEDUCTIBLE (EMPLOYER IS COVERED AT 100%). WHEN THIS BOND COVERAGE EXPIRES, CONTINUED BOND COVERAGE CAN BE PURCHASED FROM TRAVELERS IF SO DESIRED. YOU MAY CONTACT TRAVELERS AT 888-695-4625 or at [www.travelers.com](http://www.travelers.com).

### MAKING MISSOURI COMMUNITIES SAFER

FOR MORE INFORMATION EXPLORE:  
[www.bonds4jobs.com](http://www.bonds4jobs.com)  
[www.job.mo.gov](http://www.job.mo.gov)  
[dwdsupport@ded.mo.gov](mailto:dwdsupport@ded.mo.gov)  
Missouri Department of Economic Development  
Division of Workforce Development  
1-888-728-JOBS(5627)