

WOTC Eligible New Hires

To be eligible for WOTC a new hire must have began to work for an employer **after** December 31, 2006 **and before** September 1, 2011, the new hire must meet the minimum employment or retention period requirements outlined below, and the new hire must belong to one of the following 12 WOTC target groups:

1. **Long-term TANF Recipient.** A member of a family that:
 - o Received or recently received [Temporary Assistance to Needy Families \(TANF\)](#) payments for at least 18 consecutive months ending on the hiring date, **or**
 - o Received TANF payments for any 18 months (whether or not consecutive) beginning after August 5, 1997, and the earliest 18-month period beginning after August 5, 1997 ended during the past 2 years, **or**
 - o Stopped being eligible for TANF payments during the past 2 years because federal or state law limited the maximum time those payments could be made.
2. **Other TANF Recipient.** A member of a family that is receiving or recently received TANF benefits for any 9-month period during the 18-month period ending on the hiring date;
3. **Qualified Food Stamp Recipient.** An 18-39 year old member of a family that received [Food Stamps](#) for the past 6 months, **or** received Food Stamps for at least 3 of the past 5 months;
4. **Designated Community Resident.** An 18-39 year old resident of one of the federally designated [Empowerment Zones \(EZs\)](#), [Enterprise Communities \(ECs\)](#), [Renewal Communities \(RCs\)](#), and for individuals who begin to work for an employer after May 25, 2007, this High-Risk Youth group has been renamed “Designated Community Resident” and expanded to include residents of Rural Renewal Counties;
Note: All Round I Enterprise Communities (ECs) including enhanced Enterprise Communities expired on December 31, 2004. Round II ECs are still in existence as are all the EZs;
5. **Summer Youth Employee.** A 16-17 year old [EZ/EC or RC](#) resident hired between May 1 and September 15;
Note: All Round I Enterprise Communities (ECs) including enhanced Enterprise Communities expired on December 31, 2004. Round II ECs are still in existence as are all the EZs;
6. **Qualified Veteran.** A veteran who is a member of a family that is receiving or recently received [Food Stamps](#) for at least a 3-month period during the past 15 months; and for individuals who begin to work for an employer after May 25, 2007, the veteran group is expanded to include “**disabled veterans**” who are entitled to compensation for a service-connected disability **and** who, during the one-year ending on the hiring date, were: a) discharged or released from active duty in the U.S. Armed Forces, **or** b) unemployed for a period or periods totaling at least 6 months. The first-year wages taken into account for these “disabled veterans” are capped at \$12,000;
7. **Vocational Rehabilitation Referral.** An individual who completed or is completing rehabilitative services from a State certified agency, an Employment Network, or the [U.S. Department of Veterans Affairs](#);

8. **Qualified Ex-Felon.** An individual who has been convicted of a felony and has a hiring date which is not more than one year after the last date on which he was so convicted or released from prison;
9. **SSI Recipient.** A recipient of [Supplemental Security Income \(SSI\)](#) benefits for any month ending during the past 60 day period ending on the hire date.
10. **Hurricane Katrina Employee.** This group does not require certification by the SWAs.
11. **Unemployed Veteran.** A veteran hired after 2008 and before 2011 who:
 - o Has been discharged or released from active duty in the U.S. Armed Forces at any time during the 5-year period ending on the hiring date, and
 - o Received unemployment compensation under state or federal law for at least 4 weeks during the 1-year period ending on the hiring date.

To be considered a veteran, the applicant must have served on active duty (not including training) in the Armed Forces of the United States for more than 180 days or have been discharged or released from active duty for a service-connected disability.

12. **Disconnected Youth.** An individual who is certified as: 1) having attained age 16 but not age 25 on the hiring date, 2) not regularly attending any secondary, technical, or post-secondary school during the 6-month period preceding the hiring date, 3) not regularly employed during such 6-month period, **and** 4) not readily employable by reason of lacking a sufficient number of basic skills.

Minimum employment or retention period. In addition to belonging to one of the 12 groups outlined above, all new adult employees must work a minimum of 120 hours to qualify for WOTC. Individuals hired as Summer Youth employees must work at least 90 days, between May 1 and September 15, to qualify for the credit.

Ineligible populations. The following groups do not qualify for the WOTC, even if they meet the other eligibility criteria:

- Relatives and dependents;
- majority owners of the employer; and
- former employees.

Financial Breakdown for veterans

Target Groups	% Credit and retention period	Max Credit
All adult Veterans	25% if work at least 120 hrs	\$1,500
All Adult Veterans	40% if work 400 hrs or more	\$2,400
Disabled Vets	25% if work at least 120 hrs	\$3,000
Disabled Vets	40% if work 400 hours or more	\$4,8000
Long-Term TANF	2- YR Combined Period	\$9,000

The cap on qualified first year wages for disabled veterans was increased from \$6,000 to \$12,000 resulting in a bigger tax credit. Employers hiring from this group will receive a two year tax credit for each new hire. It has different wages and credit percentages.

Mail to or call

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