



RESEARCH CREDITS AND INCENTIVE SERVICES

# Work Opportunity Tax Credit



The Work Opportunity Tax Credit (WOTC) serves as an incentive for employers to expand employment opportunities for individuals who often face obstacles when seeking jobs. Employers can potentially save up to \$9,600 on their income taxes for each eligible candidate falling within one of the ten targeted categories. To qualify for credit, the employees must work a minimum of 120 hours during their initial year of employment.

- Qualified IV-A Recipient
- Qualified Veteran
- Ex-Felon
- Designated Community Resident (DCR)
- Vocational Rehabilitation Referral
- Summer Youth Employee
- Supplemental Nutrition Assistance Program (SNAP) Recipient
- Supplemental Security Income (SSI) Recipient
- Long-Term Family Assistance Recipient
- Long-Term Unemployment

A&M's Tax Credit team offers comprehensive assistance to employers in enhancing monitoring, screening, compliance, and accurate tax credit calculations. Leveraging our advanced tools and technologies, we provide effective solutions to streamline these processes and ensure optimal outcomes.

## Who should take advantage of the WOTC?



Every employer planning to hire candidates from the designated job candidate groups should make the most of this tax credit opportunity. The WOTC consulting services team at A&M can provide valuable assistance to eligible businesses. Outsourcing serves as an excellent solution for companies lacking the necessary personnel or preferring not to bear the complete responsibility of managing WOTC claims.

Companies that typically benefit from the incentive can be found in: **retail, hospitality, food service, manufacturing, government contracting**, and businesses located in or near **retirement living communities**, which often have a higher percentage of people who qualify.

## What are the benefits of claiming the WOTC?



▪ **Tax Savings:** By leveraging the WOTC, a company can realize substantial tax advantages, particularly when the business has historically high turnover or is growing and poised to attract a considerable number of the specific employee groups for which the credit is intended to aid.



▪ **Create Good Will and Opportunities:** The purpose of the WOTC is to offer employers incentives to hire individuals who face difficulties in securing employment. By participating in the program, companies can contribute to the betterment of the community, foster economic opportunities, and bolster their organizational reputation by providing support to targeted groups.



## Why should you use A&M's WOTC service?



- **Processes that work:** A&M has developed proprietary software that simplifies and accelerates the process of qualifying for the WOTC, efficiently gathering data and conducting screenings for newly hired individuals, all within the critical 28-day filing deadline.



- **Multilingual:** Online screening for the WOTC program is available in multiple languages.



- **Efficiency:** All documentation is consolidated in a centralized location, featuring a user-friendly interface for effortless access. Through streamlined reporting, clients can easily monitor candidate application status, credit eligibility, certification progress, and other essential details. Additionally, our system offers seamless onboarding through custom data ingestion and system integration, ensuring swift integration into your existing processes.



- **No need to expand staff:** By using the A&M WOTC service, employers can reap the program's advantages without the need to expand their workforce specifically to manage the paperwork and filings associated with the tax credit.

Interested to learn  
more about WOTC and  
if you qualify?



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Alvarez & Marsal Tax, part of Alvarez & Marsal (A&M), a leading global professional services firm, is an independent tax group made up of experienced tax professionals dedicated to providing customized tax advice to clients and investors across a broad range of industries. Its professionals extend A&M's commitment to offering clients a choice in advisors who are free from audit-based conflicts of interest, and bring an unyielding commitment to delivering responsive client service. A&M Tax has global presence in major metropolitan markets throughout the Americas, EMEA, and APAC.

Alvarez & Marsal Tax is a founder of Taxand, the world's largest independent tax organization, which provides high quality, integrated tax advice worldwide, and represents the Global Network in the US and UK. Taxand professionals, including 770+ partners and more than 3,000+ advisors in 48 countries, grasp both the fine points of tax and the broader strategic implications, helping you mitigate risk, manage your tax burden and drive the performance of your business.

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