



EQUIFAX[®]

HR Best Practices
**How to Help Raise Your WOTC
Screening Towards 100% and Why**

Helping Turn Small Change into Big Dollars

What if you could potentially drop money to your bottom line while completing your normal hiring requirements, further proving how valuable your HR team is? About \$1 billion in WOTC (Work Opportunity Tax Credit) are claimed each year according to the Department of Labor (DOL). Whether you aren't taking advantage of WOTC credit now at all, or are not screening up to 100% of your applicants, you may be missing out.

Background

WOTC is a federal tax credit available to employers who hire and retain employees from certain targeted demographic groups that typically have challenges gaining employment. Employers can receive a federal tax credit up to \$9,600 per eligible employee.

It's often said that timing is everything and WOTC is no different. The federal requirements dictate that the WOTC paperwork must be filled out on or before the day of the job offer. Employers are often challenged to meet screening deadlines when determining applicant eligibility for WOTC, potentially leaving valuable tax credit savings on the table.

Typically, the more screenings a company completes, the higher the likelihood of receiving tax credits. However, WOTC screening is voluntary, which can often result in companies not achieving their full potential in credits. It is in an employer's best interest to present the WOTC screening form early and often to help ensure that applicants complete the screening form.



Is this really worth my time?

Many of our clients tell us that they don't think they hire any or many people who would qualify for WOTC credits. If you feel that way too, maybe you don't screen at all or only screen a small percentage of your applicants. However, there may be more opportunities to qualify than you think. Historical data from our Equifax clients shows an average of 20-30%¹ of an employer's employee base may qualify for WOTC tax credit.



Consider these eligible categories:

Supplemental Nutrition Assistance Program (SNAP) recipients

Unemployed or disabled military veterans

Long-term unemployed

Temporary Assistance for Needy Families (TANF) recipients

Residents living in designated economically struggling communities

People with disabilities who have completed or are completing vocational rehabilitation

People with criminal histories

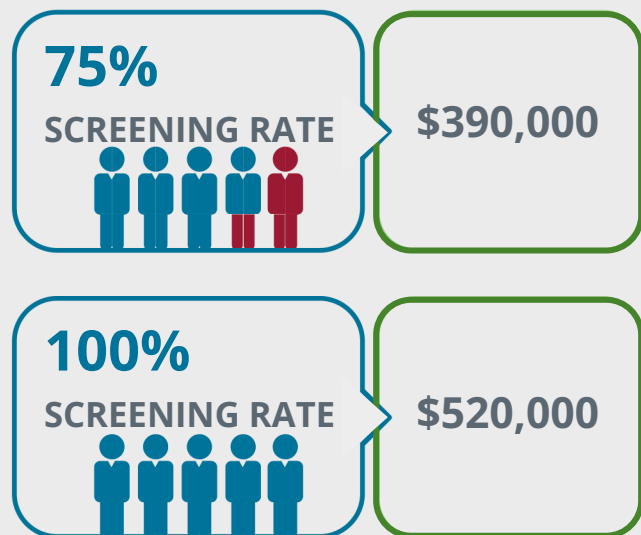
Supplemental Security Income recipients

Teens from designated empowerment zones employed for summer work

Chances are, you are hiring employees who could qualify your organization for these lucrative tax credits, and you just need to identify them! Bottom line, the more you screen, the more WOTC tax credit your company could potentially get.

Consider this example.

Consider this example. A simple 25% increase in WOTC screening for an organization with 5,000 annual new hires could result in over \$130,000 of additional WOTC tax savings². The WOTC credit may go up to \$9,600 per employee, so the math can add up quickly.



This is an example of a client's experience, but might not be representative of your future success — since your success is dependent upon the unique facts and circumstances of your individual company.

Failure to maximize WOTC screenings leads to **missed opportunity**.

Credits increase as more employees are successfully screened.

A small improvement in screening can have a **significant impact** on results – \$130,000 **increased income**.



² Calculations based on 5,000 new hires. 20% WOTC eligible. 52% certified, \$1,000 credit.

How can you get up to 100% screening?

Present the form early and often

Since the WOTC screening form must be filled out by the candidate, presenting the form at many points in the hiring process can help improve the possibility of having it completed. Therefore your company has an increased chance of identifying eligible candidates.

Here are some other recommendations from our subject matter experts:



Make presentation of WOTC screening mandatory for all applicants, in every location



Track completion rates by hiring location, and if it's not close to 100%, figure out why and take action



Conduct WOTC training for all hiring managers and share results to help sustain support for the program



Consider an automated platform that syncs with your onboarding or Applicant Tracking System (ATS) platform

Tip: If your hiring process is a long one, have your applicants fill it out again if 30 days have passed since it was last completed since eligibility may have changed.

Some things are better together

Peanut butter and jelly, hot chocolate and marshmallows, and Tuesdays and tacos to name a few. And there are parts of the hiring process that you might not think of that complement each other perfectly, like WOTC screening and some of your required forms (for example Form I-9, W-4, and/or state forms).

WOTC and some of your required forms have similar timing requirements, and combining the completion of these company, state and federal mandated forms (like Form I-9) with WOTC screening might provide applicants the opportunity to voluntarily screen for available tax savings. By strategically including required forms in the same packet and requiring that applicants advance through the WOTC Form 8850 before completing these required forms, the likelihood of it being completed might increase. This strategic workflow could help you better maximize credit capture opportunities due to improved screening rates while still helping meet the strict adherence to required forms and their requirements.

Work with subject matter experts

Maybe your team doesn't have a lot of expertise with WOTC. That shouldn't be a good enough reason to leave money on the table. You can work with an experienced WOTC provider who can help you present the screening form and often help in the process of applying for the certification. Many times, there are integrations with your Human Capital Management (HCM) systems that can potentially help you streamline this process even more.



Added benefit

Hiring workers who may have had barriers to employment might help you reach your goals of having a more diverse workforce.

Our Equifax³ data shows that workers hired through WOTC...



...on average, stayed in their jobs for the same amount of time or longer as non-WOTC hires



...are less likely to leave their job in the first year than their cohorts



...typically progress through the ranks at the same pace as traditionally hired co-workers



³Equifax research study on new hires (WOTC and non-WOTC) over the period of 2008-2013. Sourced from The Work Number[®] and Equifax clients' WOTC certifications.



Learn more about the impact WOTC can have by checking out this [case study](#) of a bank that improved their WOTC credit value by more than \$600,000 per year* by working with Equifax. If your organization needs help with WOTC screening or any aspect of the [onboarding](#) process, reach out to our subject matter experts from Equifax Workforce Solutions.

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