



Workforce
Solutions

Trends & Best Practices



Retail

**Work Opportunity
Tax Credit**



Work Opportunity Tax Credit

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 Work Opportunity Tax Credits (WOTC) are claimed each year according to the Department of Labor (DOL). Whether you aren't taking advantage of WOTC credits now at all, or are not screening 100% of your applicants, you may be missing out.

Many of our clients tell us that they don't think they hire any or many people who would qualify for WOTC credits. 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

WOTC Trends in the Retail Industry*



\$1,300

The average tax credit per employee is over \$1,300.



17%

On average, 17% of retail employees qualify for WOTC.



99%

The average retail employer screens 99% of applicants.

Best Practices

- Consider combining completion of the federally mandated Form I-9 with WOTC screening to provide applicants the opportunity to voluntarily screen for available tax credits since they have similar timing requirements.
- Present the WOTC screening form early and often to help ensure that applicants complete the screening form.
- Make presentation of WOTC screening mandatory for all applicants, in every location.
- Track completion rates by hiring location, and if it's not 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.
- If 30 days have passed since your applicant has filled out Form 8850, ask them to fill it out again since eligibility may have changed.
- Consider working with an experienced WOTC provider who can present the screening form and apply for the certification on your behalf.

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*Average percent certified by industry is based on 2022 Equifax data. Average certification value by industry is based on 2021-2022 Equifax data.

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