

Federal Bonding Program

The Federal Bonding Program was created as an incentive to employers to hire "at-risk," hard-to-place job seekers and may provide an employer a business insurance policy that protects an employer against loss of money or property due to employee dishonesty. The bond is good for six months for the amount of \$5,000 at no cost.

Where To Obtain Federal Bonding Program

To request a Federal Bond, the employer must call the Bonding Coordinator on the new employee's start date. A simple 10-15 minute telephone interview takes place. A confirmation letter is then sent to the company and McLaughlin Company, who issues the bond directly to the employer.

For questions or more information contact:

**TAX CREDIT
COORDINATION
SERVICES**

1.800.345.2555

**FEDERAL BONDING
COORDINATOR**

717.787.6915

Mail Tax Credit Forms To:

TAX CREDIT
COORDINATION SERVICES
651 Boas Street, 12th Floor
Harrisburg, PA 17121-0750

Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer/Program

EMPLOYER HIRING INCENTIVES

Your Business Qualifies When You Hire Eligible Individuals

- > No limit to the number of new hires
- > Any size employer can benefit
- > Employers decide whom to hire
- > Minimal paperwork to request tax credit
- > Both tax credits can be claimed on the same individual in the same taxable year

Work Opportunity Tax Credit (WOTC)

Created by the Small Business Job Protection Act of 1996 and extended by the Small Business and Work Opportunity Act of 2007, The American Recovery and Reinvestment Tax Act of 2009 added two additional categories. The federal WOTC is available to employers who hire persons who have been deemed to have barriers to employment*. For most target groups this tax credit is in effect for new hires starting before Sept. 1, 2011. (The Unemployed Veteran and Disconnected Youth target groups are for individuals hired in 2009 and 2010.)

- Work Opportunity Tax Credit
- Federal Bonding Program

Employment Incentive Payment (EIP) Tax Credit

This program expired December 31, 2009.

Minimum Employment or Retention Period

WOTC:

New adult hires must work a minimum of 120 hours and Summer Youth employees must work at least 90 days, between May 1 and Sept. 15, before an employer is eligible to claim this tax credit.

Applying for Tax Credits

WOTC:

The applicant completes the front of the **IRS Form 8850** (Pre-Screening Notice and Certification Request); the employer completes the back. The completed IRS Form 8850 with original signatures must be postmarked within 28 calendar days after the new hire's start date;

and the applicant also completes the **ETA 9061** (Individual Characteristics Form). This form has no required postmark date but should be mailed with the IRS Form 8850.

Note: The tax credit document(s) must indicate at least one potentially eligible target group in order for the request to be processed. Requests must be filed within the time guidelines indicated above.

Who and What Doesn't Qualify

- > No tax credit may be claimed for federally subsidized On-The-Job Training (OJT); however, wages paid after OJT expires can qualify for the credit.
- > Not-for-profit employers
- > Wages paid to relatives
- > Refuges are not eligible for the federal tax credit

Where To Obtain Tax Credit Forms

Forms can be downloaded at:

- > www.dli.state.pa.us,
- > Click on: Workforce Development;
- > Click on: Employment Tax Credits.

Or contact:

- > Pennsylvania CareerLink® Offices
- > Pennsylvania Vocational Rehabilitation Offices
- > Welfare County Assistance Offices

Or contact:

- > Tax Credit Coordination Services
- 1.800.345.2555

* For target group definitions and other details, see reverse side.



pennsylvania

DEPARTMENT OF LABOR & INDUSTRY

BUREAU OF WORKFORCE DEVELOPMENT PARTNERSHIP

www.dli.state.pa.us

WOTC-1 REV 1-10

