

# CMS

## Introducing the Work Opportunity Tax Credit (WOTC)



Get a bonus for your company, while helping others.

### Tax Credits For Employers

President Ronald Reagan passed the Economic Recovery Tax Act of 1981 which was the beginning of the WOTC program. The bill amended the 1954 Internal Revenue Code encouraging economic growth through reductions in individual income tax rates, incentives for small businesses, and savings incentives.

Cost Management Services has been working with employers for over 10 years to save money by taking advantage of the CMS Work Opportunity Tax Credit Program.

Based on CMS' experience 15% of the workforce is eligible for the employment tax credits. Why aren't you taking advantage? Call CMS today at 1-800-517-9099.

CMS provides your business with the tools to maximize the WOTC tax incentives. CMS delivers the following benefits:

- CMS will identify eligible employees.
- CMS keeps you in compliance with Federal and State guidelines for your company to obtain the eligible tax credits.
- CMS handles all the administrative duties necessary to receive the WOTC credits.
- CMS screens qualified employees monthly to maximize your tax credits.
- CMS protects your organization from asking the sensitive questions necessary to receive the WOTC tax credits.

### WOTC FACTS

- Up to \$5,000 maximum tax credit for each new employee.
- Qualified individuals employed for at least 400 hours during the first 12 months may receive a credit of 50% of his or her qualified wages.
- Partial Credits are available for qualified individuals employed for at least 120 hours may receive a tax credit of 25% of his or her qualified wages.
- Designated Community Residents has been extended for new hires to between ages 18 and 40.

### Who Is Eligible For The WOTC Program?

WOTC applies to new employees hired on or after May 1, 2007, and before September 1, 2011.

- Temporary Assistance to Needy Families (TANF) recipient
- Ex-felon
- Food Stamp recipient
- Designated Community Residents
- Summer Youth employee
- Supplemental Security Income (SSI) recipient or Ticket-to-Work holder
- Qualified Veteran
- Vocational Rehabilitation Referral or Ticket-to-Work holder
- Long-Term Family Assistance Recipient (LTFAR)

For more detailed description of who is eligible, please visit our website at: [www.cmshris.com](http://www.cmshris.com)

### How WOTC Works For You

*"We have been utilizing CMS' tax credit program for over five years now, and the results have been excellent, saving us over \$100,000 over all our corporations.*

*I would strongly recommend using Cost Management Services' Tax Credit Program."*

- Rich McCarthy, Great American

CALL US AT  
(800) 517-9099

VISIT  
[www.cmshris.com](http://www.cmshris.com)

COST MANAGEMENT SERVICES  
321 Main Street  
Farmington, CT 06032

Cost Management Services provides a full host of Employer Management Solutions.

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*President George W. Bush passed the Work Opportunity Tax Credit Program in May of 2007. It was enacted to promote the hiring of individuals who qualify as a member of a target group, and to provide a federal tax credit to employers who hire these individuals.*

### *Who is eligible for the WOTC program?*

WOTC applies to new employees hired on or after May 1, 2007, and before September 1, 2011.

- **AFDC / TANF Recipient**—An individual who has received AFDC/TANF assistance for any nine months during the 18-month period ending on the hiring date.
- **Ex-felon**—An individual convicted of a felony and hired within one year after conviction or release from prison, and who is a member of a federally-defined economically disadvantaged family. Lower Living Standard Income Levels per Memo AP 03-10.
- **Food Stamps Recipient**—has been expanded to include individuals who are 18 to 40 years of age, who are members of a family that has received Food Stamps for a specific time period within the last six months.
- **Designated Community Residents**—has been expanded to include individuals who are 18 to 40 years of age on the hiring date and lives in a Federal Renewal Community, Empowerment Zone, or Enterprise Community (RC/EZ/EC).
- **Summer Youth Employee** —An individual who is 16 or 17 years old on the hiring date, who starts work for the employer during the period of May 1 through September 15, and who lives in a Federal Enterprise Community, Empowerment Zone, or Renewal Community (RC/EZ/EC).
- **Supplemental Security Income (SSI) recipient**—An individual who has received Supplemental Security Income (SSI) for any month ending within the 60-day period ending on the hiring date.
- **Veteran** —An individual who has served on active duty in the U.S. Armed Forces for more than 180 days or has been discharged with a service-connected disability, and who is a member of a family receiving Food Stamps for at least a continuous three-month period during the 15-month period ending on the hiring date.
- **Vocational Rehabilitation Referral** — An individual with a physical and/or mental disability which may present a substantial barrier to employment, and who has received services under a State rehabilitation plan through the Bureau of Rehabilitation Services or the Board of Education and Services for the Blind, or has received vocational rehabilitation through the US Department of Veterans' Affairs.

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