WOTC: Fact vs. Fiction

Busting the top six myths that keep companies from big savings
The biggest WOTC myth of all:

The Work Opportunity Tax Credit (WOTC) won’t help my company very much.
Fact – WOTC can boost bottom lines and employee performance.*

*Equifax research study on hires (WOTC and non-WOTC) over the period of 2008-2013, sourced from The Work Number® and Equifax clients’ WOTC certifications.
Let us show you how!

Follow along as we debunk these top WOTC myths!
Fact: It's estimated that more than 20% of new hires qualify for WOTC.*

Currently, employers get more than $1 billion in tax credits under the WOTC program each year.** It's time your company got its share, too.

Most companies already employ many WOTC-eligible workers. It's just a matter of taking advantage of the program and screening during onboarding to help find them. WOTC promotes hiring people who face certain barriers to employment – like veterans, those on public assistance and people who live in specific areas. These groups may not sound like a large portion of the workforce, but one in five new hires are actually WOTC eligible.

*Based on Equifax client data
**Source: https://www.doleta.gov/business/incentives/opptax/wotcemployers.cfm

Read how a leading bank identified WOTC-eligible hires it didn't know it had and grew its WOTC results by 50%.*
Who qualifies for WOTC?*

**Veterans**
UP TO $9,600

**Designated Community**
UP TO $2,400

**Ex-felons**
UP TO $2,400

**Vocational Rehabilitation**
UP TO $2,400

**Summer Youth Employees**
UP TO $1,200

**Long-term TANF**
UP TO $9,000

**SNAP (formerly Food Stamps)**
UP TO $2,400

**Supplemental Security Income**
UP TO $2,400

**Short-term TANF**
UP TO $2,400

**Long-term Unemployed**
UP TO $5,600

*Based on data from the U.S. Department of Labor, 2018
TANF stands for Temporary Assistance for Needy Families
WOTC can save companies up to $9,600 per eligible employee.

It’s simple math. If a company hires 20 people per year, it’s likely that four of them are WOTC eligible.* This could mean almost $40,000 in tax credits depending on who you have hired.

WOTC benefits organizations across the U.S., Puerto Rico, and the U.S. Virgin Islands, but businesses that consistently do a lot of hiring have the most to gain.

Here are just a few of the industries that tend to get the most out of WOTC:

- Food service
- Retail
- Staffing

*Based on Equifax client data
Myth: WOTC hires may not stay at my company long enough for me to claim savings.

Fact: WOTC hires tend to stay on their jobs as long as or longer than non-WOTC hires.

The research is in. And it shows WOTC employees:

- Are less likely to leave their job in the first year
- Perform on a par with or better than non-WOTC employees
- Move up at the same pace as traditionally hired employees

Because WOTC requires employees to work a minimum number of hours for an employer to claim the tax credit, employee retention is important. WOTC credits kick in when certified employees work a minimum 120 hours.

*Equifax research study on hires (WOTC and non-WOTC) over the period of 2008-2013, sourced from The Work Number® and Equifax clients’ WOTC certifications.*
Fact: An electronic WOTC management system can give you the benefits of the program, without all the hassle.

An electronic, outsourced WOTC management system digitizes much of the paperwork, so the screening and certification process is seamless, and nearly paperless. Many are designed to work with the leading ATS* and HCM** platforms and take advantage of eSignature, making the experience easier on your new hire, as well.

Qualifying documentation needs are also handled as part of an outsourced WOTC program. In fact, with Equifax’s WOTC Management platform, in nearly 97% of cases, we can pull all needed qualifying documents without any input from your internal team or the new hire!†

*Applicant Tracking System
**Human Capital Management
†According to 2015 Equifax certification data
Fact: WOTC delivers real dollars to the bottom line, and often pays for itself.

Tax credits are real dollars that HR can deliver to the C-suite to help with future investments and resources. HR teams can, and do, point to their WOTC savings or the WOTC-forecasted savings when asking for budget increases.

Employers who bundled the WOTC and I-9 Management solutions from Equifax have realized a 12x ROI from their WOTC credit capture alone.*
Fact: Automated reporting tools can make it easy to forecast WOTC savings.

This is another place where technology can help. With an electronic WOTC Management system, the data is centralized and accessible. Looking for a WOTC platform provider that offers a forecasting tool is important to help you stay ahead of and analyze all the screenings, deadlines, hours worked and more. You need more than a spreadsheet to manage WOTC to the full potential for your company. Consider what the WOTC Management Solution from Equifax offers:

• **Forecast Reports** – A simple tool that uses your historical and real-time WOTC program data as well as industry trend data to create on-demand analysis and tax credit estimates by month, quarter or year.

• **Key Performance Indicator (KPI) Reports** help you isolate opportunities to improve the program and recognize the credit dollars lost or to be gained. These reports show you:
  o The real-dollar effect of not screening 100%
  o The financial impact on credits when documentation deadlines aren’t met
  o How many WOTC-certified employees hit the work-hour minimum, and the financial impact of those who did not

• **Credit Maximizer Reports** alert you when employees are close to hitting the minimum-hours threshold to help deliver the expected credit
The WOTC Management Solution from Equifax optimizes your company’s resources and savings using innovative features. Here’s how:

**Smartscreening™**
Our mobile-friendly automated process makes WOTC screening fast and easy. We help prevent new hires from incorrectly disqualifying themselves, providing employers with increased opportunities to confirm WOTC eligibility.

**Painless Documentation Fulfillment**
In nearly 97% of cases, 100% of documentation is collected without contacting you or your employees.*

**Integration Options**
Our WOTC software connects seamlessly into your ATS and HCM platforms.

**Government and Tax Advisors**
You’ll have experts on your side to monitor your data and get your company as many tax credits as possible.

**Powerful Data & Reporting**
ROI is clear thanks to unique connections with electronic state data exchanges and job-start data from The Work Number®.

**Real-Time Forecasting**
Our advanced tool uses an employer’s own unique data paired with industry averages to create intelligent, on-demand forecasts and scenarios.

- **HR Advantage:** See how minor process improvements impact results.
- **Tax Advantage:** Quickly analyze cash flow.

*Based on Equifax transactional data
WOTC is an easy, effective way for HR to deliver real savings to the company bottom line.

The WOTC Management Solution from Equifax helps simplify the process, taking care of the paperwork and timelines for your team, so you can identify more WOTC-eligible employees — and deliver more tax credits for your company! Get the tools you need to deliver, report and forecast a successful WOTC program today.
Learn about the WOTC Management Solution from Equifax: register for a Tax Credits & Incentives demonstration or visit equifax.com/wotc.