

# WHAT IS WOTC?

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring and employing individuals from certain targeted groups who have faced significant barriers to employment.

WOTC TARGET GROUP  
DEFINITIONS AND SUPPORTING  
DOCUMENTS  
TARGET GROUPS A THROUGH L

# (A) Qualified TANF Recipient

*aka IV-A TANF recipient*

- A member of a family receiving TANF for any 9 months during the 18-month period ending on the hiring date.
- Supporting Documents
  - Document showing receipt of TANF for 9 months.
  - A client profile from the DHS office
- **Maximum tax credit amount: \$2,400**

# (B) Qualified Veteran

- (B2a) A veteran certified as being a member of a family receiving SNAP for at least a 3-month period ending during the 15-month period ending on the hiring date (**max. tax credit amount: \$2,400**), or
- (B2b) A disabled veteran certified as having a hiring date not more than 1 year after discharge or release from active duty (**max. tax credit amount: \$4,800**), or
- (B2c) A disabled veteran certified as having aggregate periods of unemployment of 6 months or more in the year prior to being hired (**max. tax credit amount: \$9,600**), or
- (B2d) A veteran certified as having aggregate periods of unemployment of at least 4 weeks but less than 6 months in the year prior to being hired (**max. tax credit amount: \$2,400**), or
- (B2e) veteran certified as having aggregate periods of unemployment of 6 months or more in the year prior to being hired (**max. tax credit amount: \$5,600**).
- Supporting Documents
  - VA document verifying military service and compensation received; DHS document verifying receipt of SNAP benefits; and UI document verifying unemployment status.

## (C) Qualified Ex-Felon

- An individual convicted of a felony under any federal or state statute and is hired not more than 1 year after the conviction or release from prison for that felony.
- Supporting Documents
  - Document verifying conviction date or date released from prison
    - Hawaii Paroling Authority verification
    - U.S. District Court verification
    - Department of Public Safety verification
- **Max tax credit amount: \$2,400**

# (E) Vocational Rehabilitation Referral

- An individual with a disability who completed or is completing rehabilitative services from:
  - A state-certified agency (Department of Human Services, Division of Vocational Rehabilitation), **or**
  - An Employment Network under the Ticket to Work program, **or**
  - The U.S. Department of Veteran Affairs
- Supporting Documents
  - Document verifying receipt of vocational rehabilitation services.
  - Document verifying referral via the Ticket to Work program.
  - Document from Veterans Administration for Disabled Veterans
  - Cognosante is used for verifying SSI and/or TTW Ticket Holders.
- **Maximum tax credit amount: \$2,400**

# (G) SNAP Recipient

*Supplemental Nutrition Assistance Program*

- 18-39 years old on the hiring date, and a member of a family:
- Receiving SNAP for the 6-months ending on the hiring date, or
- Receiving SNAP for at least 3 of the 5-months ending on the hiring date, but no longer receiving it (in the case of a member of a family ceases to be eligible for assistance).
- Supporting Documents
  - Document verifying how many months of SNAP benefits were received
  - A client profile from the Department of Human Services
  - Document verifying age of individual: 18-39 years old (HI driver's license, birth certificate)
- **Maximum tax credit amount: \$2,400**

# (H) Supplemental Security Income (SSI) Recipient

- Received SSI for any month ending within the 60-day period ending on the hiring date.
- Supporting Documents
  - Document verifying receipt of supplemental security income (SSI).
  - Cognosante is used for verifying SSI and/or TTW Ticket Holders.
- **Maximum tax credit amount: \$2,400**



# (I) Long-Term Family Assistance Recipient

*aka Long-Term TANF*

A member of a family that meets one of the following:

- Received TANF at least 18 consecutive months ending on the hiring date.
  - Received TANF for any 18 months (consecutive or not consecutive) beginning after August 5, 1997, and the earliest 18-month period beginning after August 5, 1997, ended during the past 2-years (with respect to hiring date).
  - Stopped being eligible for TANF payments during the past 2 years because a Federal or state law limited the maximum time those payments could be made.
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- Supporting Documents
    - Document verifying receipt of long-term TANF usually 18 months or more.
    - A client profile from the Dept of Human Services.
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- **Maximum tax credit amount: \$9,000 over 2 years of employment**

# (L) Long-Term Unemployment Recipient *aka LTUR*

- An individual hired after December 31, 2015, who was in a period of unemployment that is at least 27 consecutive weeks the day before individual began to work for the employer, or if earlier, the day individual completed the IRS form 8850, and
- Includes a period (which may be less than 27 weeks) in which individual received unemployment compensation under State or Federal law.
- Supporting Documents
  - Document verifying receipt of long-term unemployment insurance, 27 months or more.
- **Maximum tax credit amount: \$2,400**