

Hiring Incentives for Employers Worksheet

Work Opportunity Tax Credit (WOT)

This is a wage credit for up to \$2,400 against Federal taxes for businesses who hire Zone residents with special employment needs, including high-risk youth, veterans, ex-felons, vocational rehabilitation referrals, summer youth employees, food stamp recipients, TAFDC/TANF recipients, or SSI recipients. Businesses do not have to be located in the Zone to qualify for this credit which is available for any full- or part-time employee who works at least 120 hours for the business. IRS Form 8850 must be forwarded to the Commonwealth's Division of Career Services within 21 days of the employee starting work. Click here to view [IRS Publication 954](#), [IRS Form 5884 & Instructions](#) and for [Form 8850 & Instructions](#). View the 1-page [Guide for Employers](#). For additional information and assistance, visit [Massachusetts Division of Career Services](#).

Quick Calculation:

$$\begin{array}{r} \text{_____} \\ \# \text{ WOTC employees} \\ \text{working at least 400} \\ \text{hrs.} \end{array} \quad \times \quad \begin{array}{r} \text{_____} \\ \text{Wage, up to} \\ \$6,000 \end{array} \quad \times \quad \begin{array}{r} .40 \\ \text{Credit} \\ \text{Rate} \end{array} \quad = \quad \begin{array}{r} \text{_____} \\ \text{WOT} \\ \text{Credit} \end{array}$$

$$\begin{array}{r} \text{_____} \\ \# \text{ WOTC employees} \\ \text{working at least 120} \\ \text{hrs.} \end{array} \quad \times \quad \begin{array}{r} \text{_____} \\ \text{Wage, up to} \\ \$6,000 \end{array} \quad \times \quad \begin{array}{r} .25 \\ \text{Credit} \\ \text{Rate} \end{array} \quad = \quad \begin{array}{r} \text{_____} \\ \text{WOT} \\ \text{Credit} \end{array}$$

Welfare to Work Wage Credit (WtW)

This is a federal tax credit of up to \$8,500 over two years for each new employee who has received family assistance or welfare for 18 months or more. Businesses seeking to take advantage of this credit are encouraged to work closely with the Commonwealth's Division of Career Services for assistance in hiring processes. New hires must work at least 400 hours or 180 days (part-time or full-time) in order for the business to claim the credit. Click here to view [IRS Publication 954](#), [IRS Form 8861 & Instructions](#) and for [Form 8850 & Instructions](#). View the 1-page [Guide for Employers](#). For further information or assistance also visit [Massachusetts Division of Career Services](#).

Quick Calculation:

$$\begin{array}{r} \text{_____} \\ \text{WtW employees} \\ \text{working 1 year} \end{array} \quad \times \quad \begin{array}{r} \text{_____} \\ \text{Wage, up to} \\ \$10,000 \end{array} \quad \times \quad \begin{array}{r} .35 \\ \text{Credit} \\ \text{Rate} \end{array} \quad = \quad \begin{array}{r} \text{_____} \\ \text{WtW} \\ \text{Credit} \end{array}$$

$$\begin{array}{r} \text{_____} \\ \text{WtW employees} \\ \text{working 2 years} \end{array} \quad \times \quad \begin{array}{r} \text{_____} \\ \text{Wage, up to} \\ \$10,000 \end{array} \quad \times \quad \begin{array}{r} .50 \\ \text{Credit} \\ \text{Rate} \end{array} \quad = \quad \begin{array}{r} \text{_____} \\ \text{WtW} \\ \text{Credit} \end{array}$$

The Hiring Incentive Training Grant Program

