

1. All applicants must complete and sign Page 1 of Form 8850 on or before the day a job offer is made
2. To be eligible, the applicant must have checked appropriate boxes on the front of the form.
3. Once hired, the employer completes and signs Page 2 of Form 8850.
4. Complete U.S. Department of Labor form:
  - a. **ETA-9061, May 2016 version:**  
If the job applicant does not have a completed ETA-9062 from a client service provider (i.e., Public Assistance or Vocational Rehabilitation), complete ETA-9061, "Individual Characteristics Form."
  - b. **ETA-9062, May 2016 version:**  
Client service providers will provide job applicants with ETA-9062, "Conditional Certification," identifying them as a member of a WOTC target group. Job applicants give this form to potential employers to complete items 15 to 21 at the bottom. Ensure the form is signed by the applicant and service provider.
5. Mail the completed 8850 and ETA-9061 or ETA-9062 to:

**Alaska Department of Labor and Workforce Development  
Division of Employment and Training Services  
WOTC Coordinator  
P.O. Box 115509  
Juneau, AK 99811-5509**

**The 8850 must be postmarked within 28 calendar days after the new hire start date and must have the original or electronic signature of the employee and employer, as well as the date the form was signed. The same conditions apply for applications submitted via fax or email.**

**If the application is certified, the Alaska WOTC Office will send Form ETA-9063, "Employer Certification Work Opportunity Tax Credit Certificate," to the employer to verify the applicant is WOTC eligible and may qualify the employer for the federal tax credit. Retain the form for your IRS records.**

Use IRS Form 5884, "Work Opportunity Credit," to file for the WOTC with the IRS.

**For more information, and to download forms, visit WOTC online:**

**[jobs.alaska.gov/wotc.htm](http://jobs.alaska.gov/wotc.htm)**

**You may also contact the WOTC coordinator directly at:**

**Phone: (907) 465-5952  
Fax: (907) 523-9661  
Alaska Relay: (800) 770-8973**

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Rev. 10/16

# Work Opportunity Tax Credit

## INFO SHEET



**ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT**



## What is WOTC?

Work Opportunity Tax Credit (WOTC) is a federal tax credit that serves as an incentive for an employer to hire people in certain target groups.

## Who does WOTC help?

WOTC helps both employers and job seekers. Employers save money as tax credits and help reduce their federal business tax liability. Qualifying job seekers gain a much-needed advantage in the job market by being a new hire that belongs to one of the target groups.

## WOTC target groups (maximum tax credit amounts)

### Veteran

- SNAP (food stamp) recipient (\$2,400)
- Entitled to compensation for service-connected disability
  - Hired within one year of discharge or release from active duty (\$4,800), OR
  - Unemployed for at least six months in the year ending on the hiring date (\$9,600)
- Unemployed
  - At least four weeks in the year ending on the hiring date (\$2,400); OR
  - At least six months in the year ending on the hiring date (\$5,600)

### Other target groups

- Short-term TANF recipient (\$2,400)
- Long-term TANF recipient (\$9,000 over two years)
- SNAP recipient (\$2,400)
- Designated Community Resident (\$2,400)
- Vocational Rehabilitation referral (\$2,400)
- Ex-felon (\$2,400)
- SSI recipient (\$2,400)
- Summer youth (\$1,200)
- Long-term unemployment (\$2,400) recipient

## How much is the employer's tax credit?

WOTC has a two-tiered tax credit based on the first \$6,000 of earnings.\*

1. 25 percent for workers who worked at least 120 hours but less than 400 hours
2. 40 percent for workers who worked at least 400 hours

\* Qualified wages for WOTC are the first \$6,000 of wages paid within the first year of employment to target group individuals.

**Each year, employers nationwide claim more than \$1 billion in tax credits under the WOTC program.**  
**In Alaska, employers saved approximately \$4,171,200 in taxes during 2015!**

## How to apply

Employers apply online (easiest method) or by mail and must receive certification from the Alaska WOTC Office before claiming credit on their federal income tax return.

### To apply online:

Request an account for full access to the Alaska WOTC online system at [dol.wotc@alaska.gov](mailto:dol.wotc@alaska.gov).

This convenient method of electronic filing will save you time and money when submitting your applications. Once your request for an online account is approved (usually within one to two business days), the following options will be available to you:

- Application entry — information from IRS Form 8850 and ETA-9061 or ETA-9062
- Case search — locate and review the status of employee records
- Power of Attorney (POA) search — view the POA status between the employer and consultant, if applicable
- Printing — print denial letters, needs letters and certificates

### Submit your application by mail:

For qualifying employees, complete IRS Form 8850, March 2016, "Pre-Screening Notice and Certification Request for the Work Opportunity Credit".