

**County of Orange Social Services Agency
Family Self-Sufficiency and Adult Services Division**

Program/Area: CalWORKs/Welfare-To-Work
Title: **Work Opportunity Tax Credit**
Number: 201A **Status:** Signature on file
Effective Date: 01/01/2003 **Revision Date:** 06/02/2022
Approved:

PURPOSE This policy provides guidelines for Case Managers (CM) to ensure that all CalWORKs recipients are informed of the Work Opportunity Tax Credit (WOTC) and receive a preliminary determination of potential eligibility under one of the WOTC target groups.

POLICY WOTC promotes the hiring of individuals who qualify as members of target groups, by providing a federal tax credit incentive to employers who hire job seekers who have consistently faced barriers to employment.

- WOTC reduces an employer's cost of doing business, requires little paperwork and applying for WOTC is simple.
- Employers may meet their business needs and claim a tax credit of up to \$9,600 per employee hired.
- There is no limit on the number of individuals an employer can hire to claim the tax credit.

The [Employment Development Department \(EDD\)](#) is the WOTC authorizing agency for California employers.

WOTC TARGET GROUPS There are ten WOTC target groups; however, CalWORKs recipients are under three target groups:

Target Group A: Qualified Short-Term Recipients of CalWORKs

- Received assistance for any 9-month period during the 18-month period ending on the hiring date.

Target Group G: Qualified CalFresh Recipients

- Age 18 to 39 on the hiring date, AND
- A member of a family that received CalFresh benefits for:
 - The previous six (6) months, OR
 - At least three (3) of the previous five (5) months.

Target Group I: Long-term CalWORKs Recipients

- Individual who is a member of a family that meets one of the following conditions:
 - Received CalWORKs for at least 18 consecutive months, OR
 - Received CalWORKs for 18 months beginning after August 5, 1997, and is hired within two (2) years, OR
 - CalWORKs benefits stopped and is hired within two (2) years after eligibility ended.

**APPRAISAL
INFORMING AND
PRELIMINARY
DETERMINATION**

At the time the CalWORKs recipient is required to participate in Welfare-to-Work activities, they shall receive a preliminary determination, if applicable, indicating they are a member of a targeted group. This preliminary determination will be conducted at Appraisal.

The Case Manager (CM) will:

1. Inform the participant WOTC can help them obtain a job if they are pre-certified in one of the “targeted groups” and the employer can receive a federal tax credit incentive for hiring them.
2. Review the targeted group categories.
3. Determine whether the participant is tentatively eligible as a member of WOTC targeted group A, G, or I.
 - a. If participant is determined to be tentatively eligible, complete the [Conditional Certification Work Opportunity Tax Credit \(ETA Form 9062\)](#) and provide [Instructions for Form 8850](#), and [Pre-screening Notice and Certification Request for the Work Opportunity Credit \(Form 8850\)](#). Participant will submit the completed forms to employer on hire date. See [Attachment 1- ETA Form 9062 Example](#).
 - i. Provide original forms to the participant, and
 - ii. Image a copy of the filled out ETA 9062 form into OnBase (Refer to [Filing Guide Database](#) – Master List Table for imaging location).
 - b. If participant is determined ineligible, provide copies of [Instructions for Form 8850 and Form 8850](#).
4. Document in case comments the outcome of the determination and forms provided to the participant.

The [ETA 9062](#) serves as an official record of the pre-certification by alerting prospective employers to the availability of the tax credit if the

individual is hired and providing a means for employers to request a WOTC certification for the job applicant/new hire.

Refer to Attachment 2- WOTC Eligibility Desk Aid for eligibility criteria and examples of documentary evidence for each target group.

RE-EVALUATION A re-evaluation is needed when there has been a significant lapse in time from the last evaluation, at appraisal, or when the participant has completed a Self-Initiated Program (SIP) and will develop a WTW Plan. The CM will follow the instructions in the [Informing and Preliminary Determination](#) at Appraisal section above.

REFERENCES [Employment Development Department \(EDD\)](#)
U.S. Department of Labor. (2021, January). *Work Opportunity Tax Credit*.
Retrieved from US Department of Labor: www.dol.gov/agencies/eta/wotc

ATTACHMENTS [Attachment 1- ETA Form 9062 Example](#)
[Attachment 2- WOTC Eligibility Desk Aid](#)
[Conditional Certification Work Opportunity Tax Credit \(ETA from 9062\)](#)
[Instructions for Form 8850](#)
[Pre-Screening Notice and Certification Request for the Work Opportunity Tax Credit –IRS Form 8850](#)