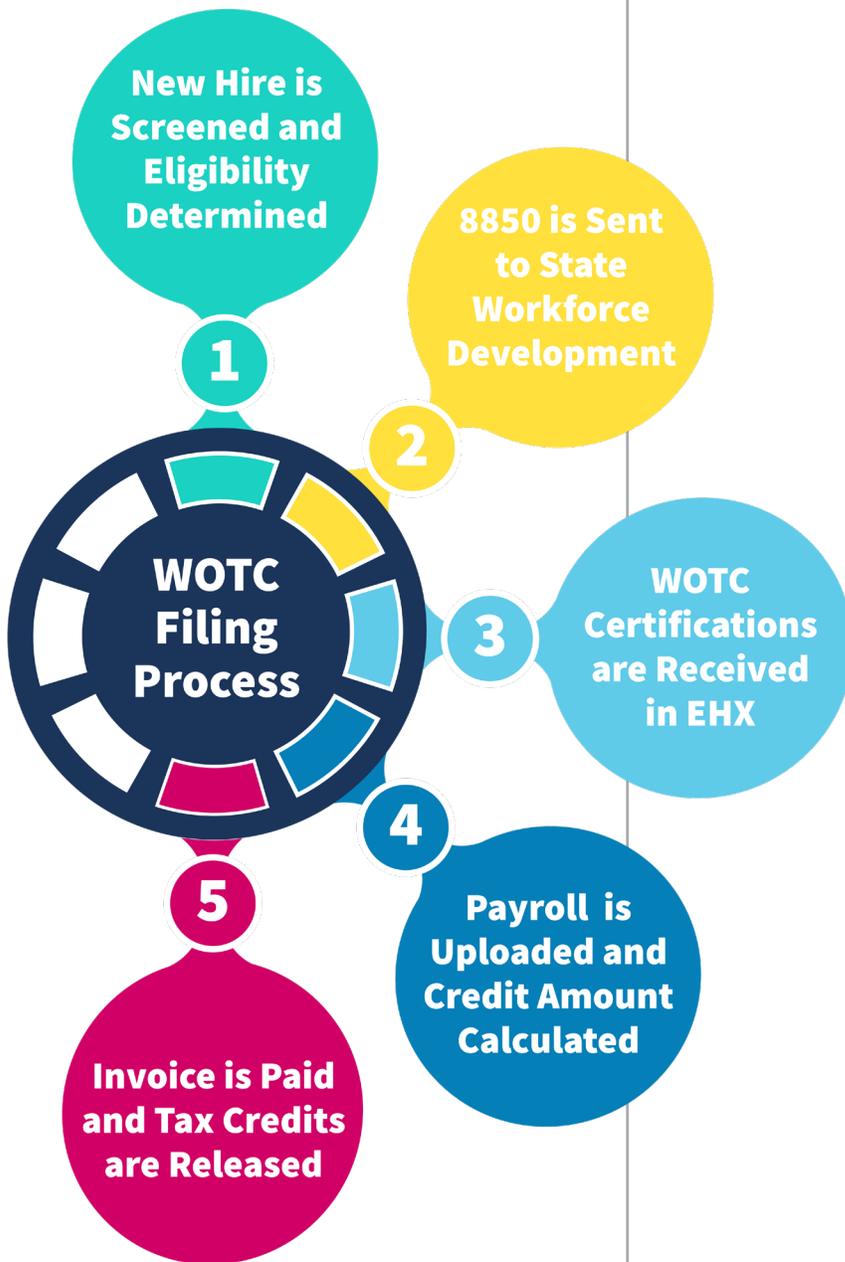# TEAM Software

Work Opportunity Tax Credits (WOTC) for Security Contractors

Lower your taxable income through tax credits available due to hiring qualifying employees.

As a security contractor, you know that labor costs are typically your highest expense. As hiring trends continue to track upward and industry experts — like the 2020 IBISWorld report — predict security services are going to continue to be in hot demand, it's a safe bet your labor costs are only going to keep increasing. As your labor costs continue to rise and your profit margins stay razor thin — because, let's face it, in the security industry the lowest price usually wins the contract — it's important for your security business to save money every chance you get.

The good news for you is there is likely already savings you could be taking advantage of simply by hiring eligible employees and filing for tax credits through the WOTC program.

WOTC Filing Process

1 — New Hire is Screened and Eligibility Determined

2 — 8850 is Sent to State Workforce Development

3 — WOTC Certifications are Received in EHX

4 — Payroll is Uploaded and Credit Amount Calculated

5 — Invoice is Paid and Tax Credits are Released

What is WOTC?

Work Opportunity Tax Credits (WOTC) are available for employers hiring in defined target groups to effectively lower your company's taxable income so you're paying fewer taxes and ultimately, saving more money. In fact, you can qualify for up to $9,600 in tax credit per eligible hire — those are savings that can quickly add up.

How does it work?

You don't have to change your hiring processes to take advantage of these tax credits. Likely, you're hiring from qualified target groups, especially those with pre-established skillsets, like military training, already. It's just a matter of collecting the right data at the right time and completing the appropriate forms.

Start by collecting general information from your new employee including their name, Social Security number and contact information. Then, your new hire needs to complete a certification form from the IRS and from the Department of Labor. These forms need to be completed and filed within 28 days after employment begins.
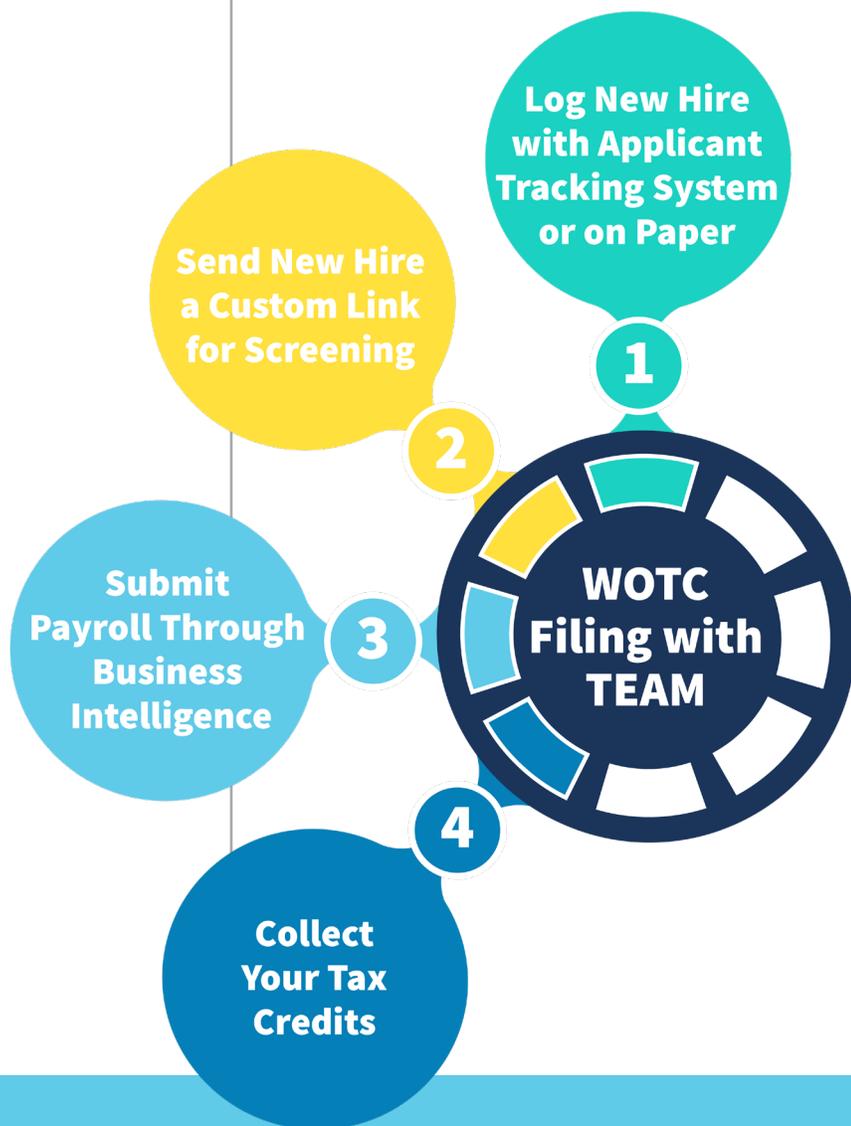
Who qualifies?

Eligible target groups include:

- Qualified veterans
- Ex-felons
- Long-term unemployment recipients
- Supplemental Nutrition Assistance Program (SNAP) recipients
- Qualified IV-A recipients
- Designated Community Residents (DCR)
- Vocational rehabilitation referrals
- Summer youth employees
- Supplemental Security Income (SSI) recipients
- Long-term family assistance recipients

How can I start saving money?

Let's be real. This process can be complicated and time-sensitive. Plus, manual submissions are tedious and frustrating for employers. But, as a TEAM customer, we make this process simple for you. If you're a user of our applicant tracking and onboarding solution, we offer WOTC as a service that is directly embedded into your onboarding process, ensuring 100% of your new-hires are screened for WOTC eligibility. We also offer a stand-alone service that sends newly hired employees an automated screening email via a custom link for your business. Then, you're able to extract all the employee data you need from WinTeam to make WOTC filing easy. Want the process to be even easier? We have ready-made reporting set up through our Business Intelligence (BI) software solution that offers payroll details required for WOTC filing. And, TEAM takes it one step further by completing the filing steps for you, giving you a true one-stop-shop to help you save money on your bottom line.

Log New Hire with Applicant Tracking System or on Paper

1

Send New Hire a Custom Link for Screening

2

WOTC Filing with TEAM

Submit Payroll Through Business Intelligence

3

4

Collect Your Tax Credits

Interested in having TEAM help you save money with WOTC?
Contact **SalesStaff@teamsoftware.com**.

TEAM Software

TEAM Software develops market-leading financial, operations and workforce management solutions for contractors with distributed workforces, with a focus on the cleaning and security industries in North America, Australia and the U.K. and Ireland. TEAM's fully integrated, holistic technology reduces risk and costs and drives efficiency, profitability and growth. Founded in 1989, TEAM is headquartered in Omaha, Nebraska, USA. For more information, visit teamsoftware.com.