

Work Opportunity Tax Credit (WOTC) Frequently Asked Questions

Q: I see that WOTC is set to expire on 12/31/20. Do I still continue to submit applications?

A: Yes, please keep submitting applications. This is not the first time the program has expired. We will continue to process all applications; we just won't issue a certification or denial for your application.

Q: We hired an eligible employee but did not know about the 28-day rule at the time, can you waive it?

A: No. Unfortunately, the 28-day rule cannot be waived, because it is a federal law.

Q: What are the benefits to using the online system?

A: Using the online system to submit WOTC applications reduces the processing time significantly. It also reduces postage fees and establishes an immediate postmark date for the 28-day rule. The online system offers immediate tracking along with the ability to print determinations which include certifications.

Q: If my employee is living outside of PA where do I submit the application?

A: A WOTC application should be submitted where the company is located.

Q: Do I have to have the paper forms filled out if I am submitting the application on your website?

A: Yes, both the 8850 & 9061 (9062 if applicable) must be completely filled out, signed and kept for four years in case of an IRS audit.

Q: On page 1 of the 9061 form in box #10 it asks for the starting wage. Is this hourly or yearly?

A: The correct answer for box #10 on page 1 of the 9061 form is the hourly wage.

Q: I've signed into my company profile and see the "Report New Hires" on the blue menu bar at the top. Is this where I submit a WOTC application?

A: No, please go to "My Profile" and then down to the "Tax Credit - Application List" tab and then follow the desk guide to submit a WOTC application.

Q: If my employee does not check any of the boxes on the 8850 or “Yes” to any of the questions on the 9061 do I still need to submit an application?

A: In most cases you would not submit the application. You may want to talk with your employee to make sure they answered the questions correctly. Some employees may feel uncomfortable letting their employer know they collect these types of benefits.

Q: On the 9061 form in Box 24 it asks to list “Sources used to document eligibility”. What do I list here?

A: You may leave this box blank on the form and on the website. The website can make an automatic determination on SNAP, TANF, OVR, SSI & LTUR target group applications. If a supporting document is needed to make a determination on your application the website will generate an incomplete letter letting you know what is needed.

Q: Where do I send supporting documentation if needed for an application?

A: You may upload documents to the application on the website or mail them in to the Tax Credit Services Office.

PA L&I, BWPO
651 Boas St., 12th FL.
ATTN: Tax Credit Services
Harrisburg, PA 17121

Q: What happens or what can I do if I entered wrong information on my application?

A: You would need to call the Tax Credit Services Office at 800.345.2555 or 717.783.3676 to make any changes. Please remember changes cannot be made to an application after the 28-day deadline.

Q: On the website why can’t I answer questions 14, 14.1 and/or 18 on the 9061 portion?

A: You probably answered “Yes” to question 12. Questions 14, 14.1 and/or 18 refer to target groups for SNAP & DCR. These target groups have an age requirement and your employee is probably too old.

Q: Can a former employee be rehired and qualify the employer for the tax credit?

A: Employers may not request certification on former employees who have been rehired. The employee must have been WOTC-qualified and certified as such only the first time he/she was hired by the employer.

Q: What if my business is operating at a loss?

A: Most tax credits have a carry forward period so you may accumulate the credits in order to use them when you are profitable. For example, the Work Opportunity Tax Credit is applied back one year and forward for 20 years.

Q: How does WOTC work for On-The-Job (OJT) trainings?

A: Since OJT is considered a hire first situation, the WOTC application would have to be submitted within 28 calendar days of the individual beginning work, even in an OJT position. For WOTC purposes, the hours worked while under OJT would count toward the minimum hourly requirement for WOTC, however the qualified wages for WOTC purposes would be calculated starting the moment the employee exited the OJT status. Qualified wages are non-subsidized wages and OJT wages are considered subsidized wages.

Q: What is the benefit to the employee?

A: The tax credit incentive only goes to the employer, and isn't shared with the employee. The purpose of the program is really to help underrepresented individuals gain employment. While it is not a requirement to make hiring decisions based on WOTC qualification status, the EEOC has issued guidance declaring it is an acceptable practice.

Q: Who determines which credit is to the employer's best advantage if the employee is eligible for more than one target group?

A: The website will automatically issue a certification for the highest paying target group.

Q: What should I do if I have received a Denial to an application, and feel that this decision is in error?

A: You have the right to appeal an original Denial decision, but your appeal must be (a) based upon NEW supporting documentation that was not provided with the original application or (b) prove that the original Denial was based upon the misinterpretation of eligibility information.

Q: Can Family members qualify for the tax credit?

A: No tax credit can be claimed for wages paid to relatives.