



Date: February 16, 2024

Subject: Work Opportunity Tax Credit (WOTC) Policy and Procedural Guidance Effective February 20, 2024/
Training and Employment Guidance Letter (TEGL) 16-20, Change 1

The U.S. Department of Labor/Employment and Training Administration (ETA) issued [TEGL 16-20, Change 1](#), on November 20, 2023, to provide updated procedural guidance on the WOTC certification process. The guidance applies to all certification requests, including “backlog” or unprocessed requests, effective February 20, 2024. TEGL excerpts appear below with Connecticut-specific WOTC implementation policies.

Background. WOTC provides incentives for employers to hire and employ individuals from certain targeted groups who face barriers to employment.¹ Employers must request and receive a certification from a state workforce agency (SWA) verifying the new hire is a member of a targeted group before they can claim the tax credit. After receiving the required certification from the SWA, the employer may apply the work opportunity credit towards their taxes. Qualified tax-exempt employers may claim the credit for hiring and employing first-time, qualified veterans.² The U.S. Departments of Labor and the Treasury jointly administer the WOTC; more information on WOTC, including targeted group eligibility definitions, is available on the Internal Revenue Service (IRS) and ETA websites (<http://www.irs.gov/wotc> <https://www.dol.gov/agencies/eta/wotc>).

The Connecticut Department of Labor (CTDOL) administers the WOTC certification process in accordance with the policies and procedural guidance set forth by ETA, including the requirements outlined in the annual WOTC Statement of Work (SOW). [TEGL No. 06-23, Work Opportunity Tax Credit \(WOTC\) Initial Funding Allotments for Fiscal Year 2024](#), provides the SOW for Fiscal Year 2024.

WOTC Certification Request Forms. The processing forms used to complete WOTC certification requests are available on the ETA website at: <https://www.dol.gov/agencies/eta/wotc/how-to-file/>. As explained on the next page under “WOTC Application Process,” employers are advised to submit their certification requests through [CTHires](#) for processing by the Connecticut Department of Labor.

- IRS Form 8850/*Pre-Screening Notice and Certification Request for the Work Opportunity Credit* is the form employers must use to pre-screen job applicants and to make a written request to the SWA to certify an individual as a member of a targeted group(s).³
- ETA Form 9061/*Individual Characteristics Form* is used together with IRS Form 8850 by employers and their employees, to request certification of the employee under any targeted group. The form provides examples of supporting documentation that SWAs will accept for each targeted group.

¹ Section 51 of the Internal Revenue Code of 1986 (26 U.S. Code section 51), as amended, establishes the WOTC. Congress has authorized WOTC to continue through December 31, 2025, under section 113 of Division EE of Pub. L. 116-260 -- Consolidated Appropriations Act of 2021.

² Pursuant to 26 U.S.C. section 52(c)(2), qualified tax-exempt employers described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) may claim the credit for hiring and employing first-time, qualified veterans.

³ Employers generally must submit the form to the SWA of the state in which the employer’s business is located (where the employee works). The IRS Form 8850 and instructions are available online at: <https://www.irs.gov/forms-pubs/about-form-8850>. The completion of IRS Form 8850 by the job applicant is strictly voluntary; therefore, the job applicant may refuse to complete the form with no adverse impact to securing employment.

- ETA Form 9062/*Conditional Certification*, when available, may be used by the employer rather than ETA Form 9061, together with IRS Form 8850, when the employee has been pre-certified as being a member of a specific targeted group by a participating agency.
- ETA Form 9175/*Self-Attestation Form (SAF) for Qualified Long-term Unemployment Recipient (LTUR)* is needed only for LTUR certification requests. Only the individual seeking to be certified as a member of the LTUR targeted group should complete the SAF. When the job applicant's unemployment insurance (UI) wage and/or claim records are available, CTDOL will issue determinations to employers based on the available wage and benefit data; in the absence of UI wage and/or claim records, CTDOL may use ETA Form 9175 to make an eligibility determination.

WOTC Application Process. CTDOL must perform intake using ETA Forms; verify that a job applicant is a first-time, qualifying member of a targeted group; and notify the employer about the verification results, which include certification, denial, or denial pending more information.

Intake of Required Forms and Supporting Documentation

- **Submission Methods:** CTDOL strongly encourages employers to submit their WOTC certification requests electronically, through [CTHires](#), as the use of CTHires will significantly expedite processing in most cases. CTHires enables an employer to verify that a certification request was received, track its current processing status, and access any determination issued; system alerts provide notification of application status changes. (Instructions for creating a WOTC account are included at the end of this notice.) CTHires may also be used to submit documentation in support of the initial request and, when necessary, upon appeal. CTDOL's alternative submission method is by postal mail addressed to: Connecticut Department of Labor, ES Operations/WOTC, 200 Folly Brook Blvd., Wethersfield, CT 06109. Submission by fax or email is not acceptable.
- **Timely Submission Requirements:** Effective February 20, 2024, employers are required to submit IRS Form 8850/*Pre-Screening Notice and Certification Request for the Work Opportunity Credit*, together with either: 1) ETA Form 9061/*Individual Characteristics Form*, or 2) ETA Form 9062/*Conditional Certification*, no later than the 28th calendar day after the employee begins working for the employer. For certification requests submitted by postal mail, the submission must be postmarked no later than the 28th calendar day after the employee begins working for the employer. IRS Form 8850 and ETA Form 9061/9062 need not be submitted simultaneously; however, both are required within 28 days of the new hire's start date.
- **Electronic Signatures:** CTDOL will accept electronic signatures or ink signatures for the required signatures across all WOTC processing forms. Employers are advised to put proper controls in place to ensure that electronic signatures are safeguarded and that electronic signatures are signed by the correct individual(s). [IRS Notice 2012-13](#) provides guidance on electronic signature requirements for IRS Form 8850; CTDOL will apply this guidance to ETA's WOTC forms.
- **Initial Review:** CTDOL's WOTC processing includes an initial review, typically performed through CTHires, of each certification request to ensure it was submitted in a timely manner and is complete. In accordance with TEGl 16-20, Change 1, CTDOL may not allow employers to revise IRS Form 8850 and/or ETA Form 9061/9062 after the 28th calendar day of the new hire's start date for the purpose of selecting new targeted groups or providing a different Employer Identification Number (EIN) or applicant social security number. Employers/consultants therefore should verify the EIN provided on IRS Form 8850 is the appropriate EIN to use. To the

extent possible, CTDOL will address and attempt to rectify typographical errors made during data entry. Employers and their authorized representatives may alert CTDOL of such errors by providing details about the data entry issue and the certification request's CTHires control number, if available, via CTHires system message or email to DOL.WOTC@ct.gov.

Eligibility Verification of a Complete and Timely Certification Request

- **Supporting Documentation:** CTDOL will rely on the information provided on IRS Form 8850 and ETA Form 9061/9062, as well as required supporting documentation, to verify applicants' targeted group eligibility. CTDOL also will utilize documentary evidence available from other data sources and automated processing capabilities. When employers submit supporting documentation with a completed certification request (IRS Form 8850 and ETA Form 9061/9062), all within 28 calendar days of the new hire's start date, CTDOL will process these complete certification requests and issue determinations based on the outcome of the eligibility determination review. When supporting documentation is not readily available within 28 days of the new hire's start date, and the employer specifies that the supporting documentation is "forthcoming" by marking box 24 on ETA Form 9061, CTDOL will follow the procedure outlined in "Supporting Documentation Policy" on page 6.
- **Accessible Data Sources by Targeted Group/External Verification Requests:** The information below provides details about which data sources are accessible to CTDOL, and which targeted groups require the employer to submit supporting documentation.

Data sources are readily accessible; documentation is not required. Based on the availability of internal data, automated interfaces and other processes that permit efficient verification, the following targeted groups typically need no documentation unless it is specifically requested or necessary for appeal purposes.

CTDOL verifies with Connecticut Department of Social Services data:

- A/Qualified IV-A Recipient (short-term TANF)
- Ba/Veteran receiving SNAP
- G/Supplemental Nutrition Assistance Program (SNAP) Recipient
- I/Long-term Family Assistance Recipient (long-term TANF)

CTDOL verifies with Connecticut Department of Aging and Disability Services data:

- E/Vocational Rehabilitation Referral/State Agency

CTDOL verifies with the Social Security Administration's Ticket Program Manager:

- E/Vocational Rehabilitation Referral/Ticket to Work
- H/Supplemental Security Income (SSI) Recipient

CTDOL verifies internally, using UI wage and unemployment benefits data:

- B/Qualified Veteran (unemployed veteran: Bc, Bd, Be)
- L/Qualified Long-term Unemployment Recipient

Veteran status, for veterans whose service ended after September 30, 1985, may typically be verified by CTDOL through a recently implemented process involving CTDOL's WOTC system and the Servicemembers Civilian Relief Act (SCRA) website (<https://scra.dmdc.osd.mil>).

Data sources are not readily accessible; submit documentation to expedite processing. CTDOL may attempt to verify with other state and federal agencies as appropriate, but verification methods are manual, limited by capacity issues, and subject to backlog.

- B/Veteran status (Ba, Bd, Be) and disabled veteran status (Bb, Bc)
 - Submit documentation for veterans who served prior to September 30, 1985, and for those whose active-duty service, not including training, did not exceed 180 days due to discharge/release from active duty for a service-connected disability.
 - Submit evidence of the veteran’s entitlement to compensation for a service-connected disability.
- E/Vocational Rehabilitation Referral/Department of Veterans Affairs (DVA)
 - Submit evidence from DVA describing the months benefits were received.
- C/Qualified Ex-felon
 - Submit evidence of the felony conviction having a conviction or release date within one year of hire.
- Cases involving benefits received in other states, requiring “Out of State” verification
 - Submit evidence of the months TANF/SNAP benefits were received.

Documentation is always required. Submit proof of age and address.

- D/Designated Community Resident
- F/Summer Youth Employee

Examples of acceptable evidence that may verify age and address include the following:

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| -birth certificate/hospital records | -postmarked envelope addressed to applicant |
| -driver’s license/learner’s permit | -property tax record |
| -government-issued I.D. | -rent receipt |
| -government agency records/notices | -school I.D. card |
| -housing authority verification | -Selective Service registration card |
| -IRS Form W-4 | -utility bills |
| -landlord's statement/lease documents | -voter registration card/records |
| -letter from social service agency/school | -work permit |

CTDOL will consider, and may accept, copies of reports generated from background checks and other sources of data analytics when other evidence is not available.

Additional information about eligibility criteria and documentary evidence for targeted groups is listed in the ETA Form 9061 and the WOTC eligibility desk aid, available at:

https://www.dol.gov/sites/dolgov/files/ETA/wotc/pdfs/WOTC_EligibilityDeskAid.pdf.

Issuance of Determinations/Notification to Employers

CTDOL will issue notifications to employers to inform them about determinations made.⁴

- CTDOL will issue a certification using ETA Form 9063 upon determining that the employee is a member of a targeted group selected on IRS Form 8850 and ETA Form 9061/9062. If audited, employers should provide this certification to the IRS.

⁴ Determinations are made in accordance with sections 51 and 52 of the Internal Revenue Code of 1986, sections 1.51-1, 1.52-1, 1.52-2, and 1.52-3 of the Treasury Regulations, and TREG 16-20, Change 1.

- CTDOL will issue a denial when unable to determine whether the new hire meets the eligibility requirements for the targeted group(s) selected. A certification request that failed to meet timely submission requirements or was submitted by an unauthorized individual will be denied.
- CTDOL will issue a ‘Denial Pending More Information’ notification (Employer Needs Letter) when additional information is needed to complete the eligibility determination for a certification request, identifying the information and/or documentation that must be submitted within 365 calendar days. CTDOL will automatically deny the pending certification request if the employer does not submit the additional information and/or required documentation within the one-year deadline, and this denial will not be eligible for an appeal.

See “Employer Appeals” on page 6 for additional information on the WOTC appeals process.

Authorized Representative/ETA Form 9198. ETA Form 9198/*Employer Representative Declaration Form* is replacing IRS Form 2848/*Power of Attorney and Declaration of Representative*; the use of IRS Form 2848 for declaring authorized representatives under WOTC will be discontinued effective May 31, 2024, and all previously submitted IRS Forms 2848 will expire on May 31, 2024. To designate an authorized representative for WOTC purposes after May 31, 2024, employers must submit the authorization using ETA Form 9198. If using an electronic signature, ETA Form 9198 must be submitted online through [CTHires](#). (Instructions for creating an employer account for WOTC purposes are included at the end of this notice.) An ETA Form 9198 without electronic signatures may be submitted via U.S. Postal Mail to the CTDOL address provided on page 3; however, this method may delay its review.

When processing submitted certification requests, CTDOL will use the valid ETA Form 9198 on file for that employer’s Employer Identification Number (EIN). As CTDOL must be able to verify whether a WOTC applicant is a new hire and establish an employer-employee relationship where wages are paid and federal taxes deducted, the EIN must be registered in Connecticut and associated with a state unemployment insurance account under which the new hire’s wages will be reported. Only one EIN may be provided per ETA Form 9198.

To facilitate an individual’s submission and processing of certification requests on behalf of an employer, the individual must be listed on ETA Form 9198 as an authorized representative of the employer. CTDOL may not process a certification request from, nor communicate with, an individual who is not listed as an authorized representative on an employer’s ETA Form 9198 that is on file with CTDOL at the time the certification request is submitted. Similarly, CTDOL may not communicate updates regarding an employer’s certification request with individuals listed on ETA Form 9198 if the form was submitted to CTDOL after the WOTC certification request was submitted. CTDOL will automatically deny certification requests submitted by unauthorized individuals.

An authorized representative is authorized to act on behalf of the employer regarding the WOTC certification process, which includes, but is not limited to:

- signature (on behalf of the employer) and submission of IRS Form 8850 and ETA Forms 9061, 9062 and/or 9175;
- submission of missing information/documentation that is necessary to complete an employer’s certification request;
- providing updates or clarifying information regarding an employer’s certification request; and
- providing/receiving copies of any notices related to an employer’s certification request.

An employer's authorization will automatically terminate five years from the date it is signed by the employer, unless revoked or withdrawn earlier by either party. Authorized representatives should not make changes to the information provided by the employee or employer after both the employee and employer have signed IRS Form 8850. If CTDOL believes the employee information provided on the IRS Form 8850 has been revised without the consent of the employee/and or the employer, CTDOL will request additional or clarifying information from the employee and/or the employer.

CTDOL will send notices and communications to employers and to authorized representatives if CTDOL has an ETA Form 9198 on file at the time the employer requests certification, and if box 2 of the Form, "Representative(s): Check if to be sent copies of notices and communication," is selected by the employer. If CTDOL does not have an ETA Form 9198 on file at the time of the certification request submission, or the form on file does not have box 2 checked as described above, CTDOL will send all notifications directly to the employers only. CTDOL will allow more than two designated representatives on Form 9198 to receive copies of WOTC notices and communications sent to the employer via CTHires. If naming more than two representatives, write "See attached for additional representatives" in the space to the right of line 2, and include an additional page 1 of Form 9198 when submitting. Refer to ETA Form 9198 for additional instructions.

Any authorized representative included on ETA Form 9198 or page 1 attachment must also be a named account contact for the agent in CTHires. Only such agent staff, assigned unique sign-in credentials which may not be shared, may upload, access, and otherwise facilitate CTHires requests on behalf of the WOTC employer. When uploading ETA Form 9198 in CTHires, authorized representative selections may be made only from the agent's recorded account contacts.

Employer Appeals. After an employer receives a denial for a complete, timely submitted certification request, an employer may submit a written appeal within 90 calendar days from the issuance date of the denial letter. The appeal should explain why the employer believes an incorrect denial was issued, provide any clarifying information that was not submitted with the original certification request, and explain where the employer believes information was misinterpreted. If the employer submits the required supporting documentation by the deadline specified above, and the submitted documentation was not considered when issuing the determination, the employer may appeal the determination. Appeals may be filed within the CTHires system, or by mail to the address indicated on page 3. CTDOL will then review and redetermine the certification request taking into consideration the additional supporting documentation submitted. If an employer disagrees with CTDOL's decision on an appeal, the employer may submit an appeal in writing (with supporting documentation and other relevant information) to the [ETA Regional Administrator](#) for a determination review; the ETA Regional Office will issue the final determination. Appeals to Connecticut's Regional Office should be addressed to: USDOL - ETA Region 1, Division of Workforce Investment, 25 Sudbury St., JFK Federal Bldg., Boston, MA 02203.

Supporting Documentation Policy. When an employer marks that supporting documentation is forthcoming on ETA Form 9061, the employer will have an additional 365 calendar days (beginning the day after the issuance date of the Employer Needs Letter) to submit the required supporting documentation for the targeted group(s) specified on IRS Form 8850 and ETA Form 9061/9062. CTDOL will not determine the pending certification request until after the supporting documentation is submitted, or the one-year deadline has expired, whichever comes first. If an employer does not submit

the required supporting documentation by the deadline, CTDOL will process the pending certification request as is, based on available information/eligibility data, and issue a determination. If the certification request is denied, the denial determination will be final and ineligible for an employer appeal. If CTDOL determines the applicant meets the eligibility requirements of the targeted group(s) selected on IRS Form 8850 and ETA Form 9061/9062, CTDOL will issue a certification for the employer for the targeted group that results in a higher tax credit for the employer.

Certification Redetermination Policy. If the original certification request was certified for a targeted group that results in a lower tax credit (for a targeted group that was also initially selected on IRS Form 8850 and ETA Form 9061/9062), the employer may submit an appeal request for a certification redetermination. When such appeals include the supporting documentation needed to certify at the higher tax credit, CTDOL will process the employer’s appeal of a certification determination for an alternate targeted group.

Quarterly Audit. As required, CTDOL will conduct quarterly audits to examine the quality of the state’s certification process; verify that an individual is a member of the WOTC targeted group selected on IRS Form 8850 and ETA Form(s); and ensure certifications issued are for “first-time hires.” CTDOL will compare the state’s available wage data to the information employers provide on IRS Form 8850, including the EIN, employee's social security number, and applicant hire date, to verify that (1) the employee receives/d wages from the employer; and (2) the employee did not receive wages from the employer prior to their hire date. Upon determining that an employer certification was issued for a nonqualifying rehire, CTDOL will issue a denial notice; employer appeals of denials based on an individual’s rehire status are not subject to review.

In the event of an incorrect denial, CTDOL will redetermine the case and, where the certification request meets eligibility requirements, issue a certification. In the event of incorrect certification, CTDOL will revoke the certification, issue either a notice of invalidation or notice of revocation and provide copies to the IRS and other interested parties as directed on the form. Wages paid to a “non-eligible” employee cannot continue to be treated as “qualified wages” for WOTC purposes.

CTHires Account Access. WOTC employer access in CTHires may be requested by creating a user account. From the CTHires home page at www.cthires.com, click on Sign In/Register, then scroll down to Option 3 – Create a User Account. Register under Employers and Agents, review and agree to the CTHires Employer Use Policy, then select the appropriate representative type and account functionality for WOTC. Provide all required information, including EIN and state UI employer account number, establish a username and password, then click on Save. CTDOL WOTC staff will review the registration and, as appropriate, enable the WOTC functionality. Additional registration assistance may be requested by email to DOL.WOTC@ct.gov or DOL.CTHiresHelpdesk@ct.gov.

For additional information, including links to WOTC resources and references, employers and their representatives are encouraged to review TEGl 16-20, Change 1, in its entirety.