

Mass Workforce Issuance

Workforce Issuance No. 10-65

Policy Information

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Title I Administrators
Career Center Directors
Title I Fiscal Officers
DCS Regional Managers

cc: WIA State Partners

From: Michael Taylor, Director
Department of Workforce Development

Date: July 16, 2010

Subject: **WOTC Eligibility for Unemployed Veterans and Disconnected Youth under the American Recovery and Reinvestment Act (ARRA)**

Purpose: To notify Local Workforce Investment Boards, One-Stop Career Center Operators and other local workforce investment partners of two additional eligible population groups for which employers may receive a Work Opportunity Tax Credit (WOTC) if they hire an individual that qualifies as a member of either group after December 31, 2008, and before January 1, 2011.

Background: When passed into law in February, 2009 Section 1221 of the American Recovery and Reinvestment Act (ARRA) amended Section 51 of the Internal Revenue Code (IRC) to add two new targeted groups for purposes of eligibility under the Work Opportunity Tax Credit (WOTC) program. The amendment provides that unemployed veterans and disconnected youth who begin work for an employer during 2009 or 2010 shall be treated as members of WOTC eligible groups.

For purposes of WOTC eligibility, an Unemployed Veteran is defined as:

- a veteran of the armed forces of the United States who served on active duty for a period of more than 180 days, or
- has been discharged or released from active duty for a service-connected disability, and

- has been discharged or released from active duty at any time during the 5-year period ending on the hiring date *and* received unemployment compensation for not less than four (4) weeks during the one year period ending on the hiring date .

A Disconnected Youth is defined as:

- an individual that is at least 16 but not yet 25 on the hiring date,
- is not regularly attending and secondary, technical, or post-secondary school during the six (6) month period preceding the hiring date,
- and is not readily employable due to a lack of basic skills.

NOTE: For purposes of WOTC eligibility, an individual meeting the age requirement for youth and who is not regularly attending secondary, technical, or post-secondary school *and* who states in writing that he/she does not have a certificate of graduation from a secondary, technical, or post-secondary school or a GED Certificate shall be considered to be not readily employable due to a lack of basic skills.

As with other population groups targeted under the WOTC program, individuals who appear to meet the eligibility criteria for unemployed veterans and disconnected youth are to be processed for WOTC eligibility determination in accordance with standard program procedures.

Inquiries: Please direct all inquiries to Jack Sprince, WOTC Program Manager, at jsprince@detma.org. Please cite this Issuance Number with all related inquiries.