



Automated Screening Adds to bottom Line Work Opportunity Tax Credits

By Tyler Holbrook

Automated applicant tracking systems are becoming more prevalent in the gaming industry. Gaming HR professionals are increasingly using these systems to streamline hiring processes and decrease time-to-hire. These systems bring best practices to the hiring process, consistency throughout multiple gaming properties, and provide valuable insight into an organization's hiring strategy. According to research conducted by the Aberdeen Group, "in-house or hosted automated hiring management systems are rapidly becoming commonplace in companies of all sizes. These systems, which manage the recruiting, application tracking and hiring processes, are used by 85% of companies with 5,000 to 10,000 employees and 69% of firms with 50 to 1,000 employees."

Applicant tracking systems also provide gaming organizations an opportunity to turn their human resources department into a profit center by screening all job applicants for tax credit eligibility.

The Work Opportunity Tax Credit (WOTC) is a financial incentive provided by the federal government to encourage businesses to hire individuals receiving public assistance or those that face barriers to employment.

Created in 1996 as part of the Small Business Job Protection Act, WOTC allows employers to earn a federal income tax credit based on the wages of certain categories of disadvantaged workers, such as former welfare recipients. The credit helps employers with some of the additional costs associated with training and retaining disadvantaged workers while moving people from welfare to employment.

For a new-hire to qualify your organization for tax credits, the person must meet the profile of any one of nine targeted groups designated by the federal government. These groups include Temporary Assistance to Needy Family recipients, food stamp recipients, residents of federal empowerment zones, enterprise communities, or renewal communities, qualified veterans, ex-felons, and supplemental security income benefit recipients.

Businesses can earn up to \$2,400 for each qualified adult new-hire and up to \$9,000 for each long-term family assistance recipient hired over a two-year period. WOTC is calculated by hours worked and wages earned for each employee certified by the appropriate state agency as WOTC eligible. As with most general business tax credits, WOTC has a carry back period of one year and can be carried forward up to 20 years.

To determine if potential new-hires are eligible for WOTC, employers must ask job seekers to complete IRS Form 8850 during the application process. The employer has to submit the form and all supporting documentation to the appropriate state agency within 28 days of the new employee's first day of work. After receiving certification from the state agency that the employee is WOTC eligible, the employer tracks wages earned and hours worked to calculate the credit.

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Coordinating the appropriate paperwork and submitting the necessary information to the appropriate state agency can be a time consuming process prone to error that can ultimately result in lost financial opportunities. Integrated tax credit screening with a talent acquisition system allows gaming organizations to build consistency throughout all properties, speed onboarding, significantly reduce paperwork, ease hiring manager workload and add to the bottom line.

The job seeker gets a consistent look and message from the online application. Data entry is significantly reduced since the automated system pre-populates information based on previous applicant responses. Applicants spend about three minutes completing the form.

Hiring managers also see real time-savings benefits. There's significantly less paperwork. They only process information for new-hires screened as potentially eligible. An integrated system will print pre-populated tax credit forms as part of the new-hire paperwork package. The new-hire signs the paperwork and then a hiring manager submits the forms to an outsourcing partner who coordinates certification with the appropriate state agency.

While tax credit programs often are championed at the corporate level, they do require participation at each property. Integrating tax credit screening with an applicant tracking system standardizes processes across all gaming properties and helps ensure all new-hires are screened for tax credit eligibility.

Integrating tax credit screening with your applicant tracking system helps gaming organizations realize operational efficiencies including a 94% reduction in paperwork. There's also reduced printing expenses, reduction in salaries paid to human resources and reduction of operational staff to oversee the paperwork.

There's also a hard dollar return. The number of new hires eligible for tax credits will vary by property and employment trends of a given area. The total credit value is determined by wages and hours worked. A good average per qualified employee for the gaming industry is approximately \$1,100. If you have just 100 eligible employees, your organization may earn \$110,000 in tax credits.

About the Author

Tyler Holbrook is the senior vice president and general manager of First Advantage - HRLogix and leading provider of state-of-the-art employment solutions designed to refine and enhance talent acquisition practices for the gaming and hospitality industries. He has more than a decade of experience in human resources technology development and delivery. Mr. Holbrook can be reached at (405) 330-6445 or tholbrook@hrlogix.com.



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