

HIRING INCENTIVES

Employee Hiring Incentives are available to retail chains, warehouses, restaurants, hotels, motels and other businesses that hire summer help and experience a high annual turnover. Employers hiring a large number of employees per year, can be eligible for up to \$9,000 per person per year in stimulus money.

NormAndy Financial Services is one of the only firms offering the ability to conduct live screening interviews while also offering guidance on how to maximize the credit in areas such as:

- Guiding client to groups where they can hire from target categories.
- Other assistance in internal compliance, by putting checks in place to make sure all new hires are being screened.
- Can modify our process to best fit the hiring practices of our clients.

Who is a good potential client?

- Retail stores
- Warehousing facilities
- Manufacturing
- Restaurants and Fast Food Chains
- Hotels and Motels
- Companies that have high turnover
- Companies that are growing and creating net new jobs

Maximum Credit

- \$1,200 for each new Summer Youth hired
- \$2,400 for each new Adult hired
- \$4,800 for each new Disabled Veteran hired
- \$9,000 for each new Long Term Family Assistance Recipient hired over a two year period
- The credit is based on 40% of up to \$6,000 in qualified wages during the first year of employment. Summer Youth qualify for 40% of the first \$3,000 in wages during the required working period of May 1 through September 15.

Minimum Employment or Retention Period

- All new employees must work a minimum of 120 hours and individuals hired as Summer Youth employees must work at least 90 days, between May 1 and September 15, before an employer is eligible to claim the tax credit.

Some of the programs that we look into are the WOTC (Work Opportunity Tax Credit), the HIRE (Hiring Incentives Restore Employment) Act and the SBJA (Small Business Jobs Act).

Examples of benefits:

Donut Franchise

The client in question owns and operates 18 locations of an international Coffee and Donut Franchise and employs about 400 employees and experiences about 100% annual turnover.

In our first year screening for him we have been able to identify 46 new hires that are eligible for the tax credit, the average credit earned by each new hire was \$1600. The company received approximately \$73,600 in tax savings and generated approximately \$15,000 in annual revenue.

Large Regional Supermarket Chain

The client in question owns and operates 63 locations with plans of opening 6 more this year. They currently employ 15,000 employees and experience about a 80% annual turnover.

The current success rate in identifying Hiring Incentives eligible employees is about 7% of all new hires. This translates into 12,000 new hires and about 840 Hiring Incentives eligible new hires. The company is currently experiencing about a \$1,100 tax credit per eligible new hire. The company received approximately \$924,000 in tax savings and generates approximately \$125,000 in annual revenue.

National Employee Staffing Company

This potential client in question currently employs 50,000 employees in over 15 different states. They currently are experiencing close to 75% annual turnover, and have never participated in the Hiring Incentives program.

Based upon our analysis of the company we estimate that about 6% of all new hires should be Hiring Incentive Eligible. This translates into about 2,250 of their new hires will be qualified for Hiring Incentive with an estimated \$1,100 tax credit per eligible new hire. The company should receive approximately \$2.5 million in tax savings and generate approximately \$625,000 in annual revenue.