

# BUSINESS FRIENDLY PROGRAMS *from*



- Tax and Wage
- Work Opportunity Tax Credit (WOTC)
- SharedWork Program



## Tax and Wage

The Tax and Wage branch ensures employers have a fair and accurate annual unemployment insurance (UI) tax rate. It also verifies and adjusts wage records, and provides education on state guidelines and policies related to UI taxes.

UI taxes are paid by employers and are determined by a formula intended to maintain liquidity in the Benefit Trust Fund to pay for unemployment benefits during a severe recession. The two main components of state unemployment taxes are experience-rated tax and social-cost tax. A third, small portion, is the Employment Administrative Fund to pay for job seeker programs.

### Experience-rated tax:

- Based on an average of an employer's claim history over four years.
- Employers are placed in one of 40 rate classes and those with the least experience with claims are assigned the lowest rate.

### Social cost tax:

- Paid by nearly all employers to share insurance-system costs.
- Higher during a recession and lower when the Benefit Trust Fund is adequately stable.

*Visit us online to find complete information on Washington unemployment taxes.*

**UI Tax and Wage Unit  
Olympia, WA**

[esd.wa.gov/employer-taxes](http://esd.wa.gov/employer-taxes)  
888-836-1900



## Work Opportunity Tax Credit (WOTC)

WOTC is a tax incentive for employers to hire certain job seekers. The goal is to help these individuals become economically self-sufficient and to reward employers who give them a chance. ESD determines the eligibility of every hired individual and completes all certifications within federal guidelines.

Qualified groups include: veterans, Supplemental Nutrition Assistance Program (SNAP) recipients, long-term unemployed, ex-felons, Supplemental Security Income (SSI) recipients, vocational-rehabilitation referrals as well as short- and long-term Temporary Assistance for Needy Families (TANF) recipients.

### How to apply:

- Apply within 28 days of applicant's start date (not hire date).
- Applicant completes Pre-screening Notice and Certification Request (IRS Form 8850).
- Employer completes Individual Characteristics form (ETA Form 9061).
- Keep copies of both for records.
- Submit application through the online filing system on the WOTC page.

*Apply online or learn more about WOTC by visiting our website.*

**WOTC Administrative Unit  
Olympia, WA**

[esd.wa.gov/wotc](http://esd.wa.gov/wotc)  
360-902-9326



## The SharedWork Program

The SharedWork Program is a smart alternative to layoffs. It provides businesses flexibility to retain employees at reduced hours rather than completely laying them off. An employer can temporarily reduce employees' hours 10 to 50 percent and qualified workers receive partial unemployment benefits to replace a portion of their lost wages.

### Businesses must:

- Be legally registered in Washington for at least six months prior to applying for the program.
- Be current on unemployment taxes or a payment contract.
- Enroll a minimum of two permanent employees in the SharedWork plan.
- Continue to provide affected employees with health and fringe benefits during reduction of hours.

### Employees must be:

- Hired permanently and paid hourly (corporate officers are not eligible).
- Eligible for regular unemployment benefits.
- Able to and available for work all hours offered by the SharedWork employer.

*See how this program can help you survive the next downturn by visiting us online.*

**SharedWork Program  
Lacey, WA**

[SharedWorkWA.com](http://SharedWorkWA.com)  
800-752-2500