

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WOTC
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TO: STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE DEVELOPMENT AGENCIES
STATE WORKFORCE LIAISONS
WOTC REGIONAL AND STATE COORDINATORS

FROM: ROSEMARY LAHASKY /s/
Deputy Assistant Secretary

SUBJECT: Business Process to Verify Payment Status for Supplemental Security Income Recipients for the Work Opportunity Tax Credit Program

1. **Purpose.** To provide information and procedural guidance to State Workforce Development Agencies, also called State Workforce Agencies (SWA), on the Social Security Administration's (SSA) Ticket Program Manager's (TPM) business process to verify payment status for Supplemental Security Income (SSI) Recipients. Additionally, this Training and Employment Guidance Letter (TEGL) provides guidance on reducing the national SSI backlog and redetermining SSI certification requests that were previously denied because the SWA could not verify the SSI payment status for the job applicant listed on the Internal Revenue Service (IRS) Form 8850.
2. **References.**
 - Internal Revenue Code of 1986, Section 51, as amended;
 - Protecting Americans from Tax Hikes Act of 2015 (PL. 114-113);
 - Social Security Protection Act of 2004 (Pub. L. 108-203);
 - TEGL 39-11, Guidance on the Handling and Protection of Personally Identifiable Information (PII);
 - ETA Handbook No. 408, November 2002, Third Edition (the Handbook); and
 - 2009 Addendum to the Handbook.
3. **Background.** The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring individuals from certain target groups, including SSI recipients, who have consistently faced significant barriers to employment. The U.S. Department of Labor, through the Employment and Training Administration (ETA), provides grant funding and policy guidance to the SWAs to administer the eligibility and certification process, while the Treasury Department, through the Internal Revenue Service (IRS), administers all tax-related provisions and requirements. To determine eligibility for the SSI Recipient WOTC target group, SWAs will utilize the SSA TPM business process to obtain verification to determine

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if the individual is receiving Supplemental Security Income benefits under title XVI of the Social Security Act (including benefits of the type described in section 1616 of the Social Security Act or section 212 of Public Law 93-66) for any month ending during the 60-day period ending on the hiring date.

Starting in November 2016, SSA expanded the verification process used for Ticket holders to include all Supplemental Security Income (SSI) recipients at no cost to the SWAs. Having this business process in place will: 1) Assist SWAs in reducing backlogs of unprocessed applications for the SSI target group; and 2) Allow employers to appeal and resubmit 2014, 2015, and 2016 timely filed certification requests that were previously denied because the SWAs were unable to obtain proof that the job applicant received SSI benefits within the 60-day period prior to the hire date.

Information about WOTC eligibility requirements for SSI recipients is available here: <https://www.doleta.gov/business/incentives/opptax/eligible.cfm>.

4. **Use TPM's Business Process to Verify Payment Status for SSI Target Group.**

The Social Security Administration's TPM's business process (currently operated by MAXIMUS) to verify payment status for the SSI target group generally requires the following steps:

- After SWAs receive certification requests for the SSI target group, SWAs submit to the TPM via email the: 1) SSA Standard Cover Sheet and 2) SSA Verification Request Form. Information must be typed into the Verification Request Form.
- TPM will use the same SSA Verification Request Form to respond to requests submitted. TPM will not accept/process any IRS Form 8850s or screenshots requests.
- TEGL 39-11, Guidance on the Handling and Protection of Personally Identifiable Information (PII), provides guidance to grantees on compliance with the requirements of handling and protecting PII in their grants. Per TEGL 39-11, SWAs will register for a Government to Government Services Online (GSO) account. GSO will provide data encryption for the data whether it is in transit or at rest. All GSO users will have a system-generated ID and password that must be changed every 90 days, adding another layer of security.

In coordination with SSA and the TPM, ETA will continue to communicate any information and updates on the business process requirements to the WOTC Regional Coordinators and State Coordinators through Technical Bulletins and on-going technical assistance. Given that filing methods and record keeping practices may vary across the SWAs (e.g., automated system, email, fax, scanned, mail, etc.), ETA will work with the WOTC Regional Coordinators to identify any best practices and provide additional technical assistance, as needed. See the Administration and Reporting Requirements section of the November 2002, 3rd Edition of ETA Handbook 408 for additional information available here:

https://www.doleta.gov/business/incentives/opptax/pdf/ETA_Handbook_408_Nov_2002_3rd_Edition.pdf.

Note: SWAs in states that verify WOTC SSI verification requests using data provided by SSA through data sharing agreements may continue with those agreements in lieu of sending their WOTC requests to the TPM.

5. **Reduce Backlog of SSI Recipient Certification Requests Submitted in 2014, 2015, and 2016.** For SSI certification requests that were originally submitted in 2014, 2015, or 2016 and have not been processed, SWAs should send these certification requests to the TPM following the business process that is outlined in Section 4 of this TEGL.
6. **Appeal and Resubmit Denied SSI Certification Requests Submitted in 2014, 2015, and 2016.** To initiate the redetermination process, employers must submit a letter of appeal requesting verification of SSI payment status through the TPM and submit a copy of the denial letter with a note *requesting redetermination*. Once the SWA receives the necessary SSI payment verification from the TPM, the SWA should issue a final determination (certifications or denials) to the employers. In addition to the business process requirements outlined in Section 4 of this TEGL, SWAs need to ensure that resubmissions that are forwarded to the TPM meet the following requirements:
 - Appeals and resubmissions of SSI verification requests must be for a tax credit that can be claimed in 2014, 2015, or 2016; and
 - The original submission of the IRS Form 8850 must have met the 28-day timely filing requirement. See instructions for filing the IRS Form 8850 here: <https://www.irs.gov/pub/irs-pdf/i8850.pdf>.

If an employer received a rejection instead of a denial letter for a SSI certification request because the SWA could not verify the SSI payment status for the job applicant listed on the IRS Form 8850, employers and SWAs are to use the same business process described in Section 4 titled “Use TPM’s Business Process to Verify Payment Status for SSI Target” and Section 6 titled “Appeal and Resubmit Denied SSI Certification Requests Submitted in 2014, 2015, and 2016” in this TEGL. In cases where additional information is needed to complete a certification request, a SWA should send a needs letter to an employer and an employer is responsible to provide additional information within a reasonable period of time, as determined by the SWA.

Note: Employers may consult with their tax advisors to determine whether certification requests that were submitted and previously denied should be resubmitted.

7. **Action Requested.** SWA administrators are requested to ensure that the WOTC State Coordinators, program staff, and employers and their representatives comply with the procedures and guidelines outlined in this TEGL beginning the day after the date this guidance is issued.
8. **Inquiries.** Please direct questions regarding this information and procedural guidance to the appropriate WOTC Regional Coordinator. Names and contact information for each Regional Coordinator are available in the *Directory of WOTC State Coordinators* on the WOTC program website at: http://www.doleta.gov/business/incentives/opptax/Regional_Contacts.cfm.