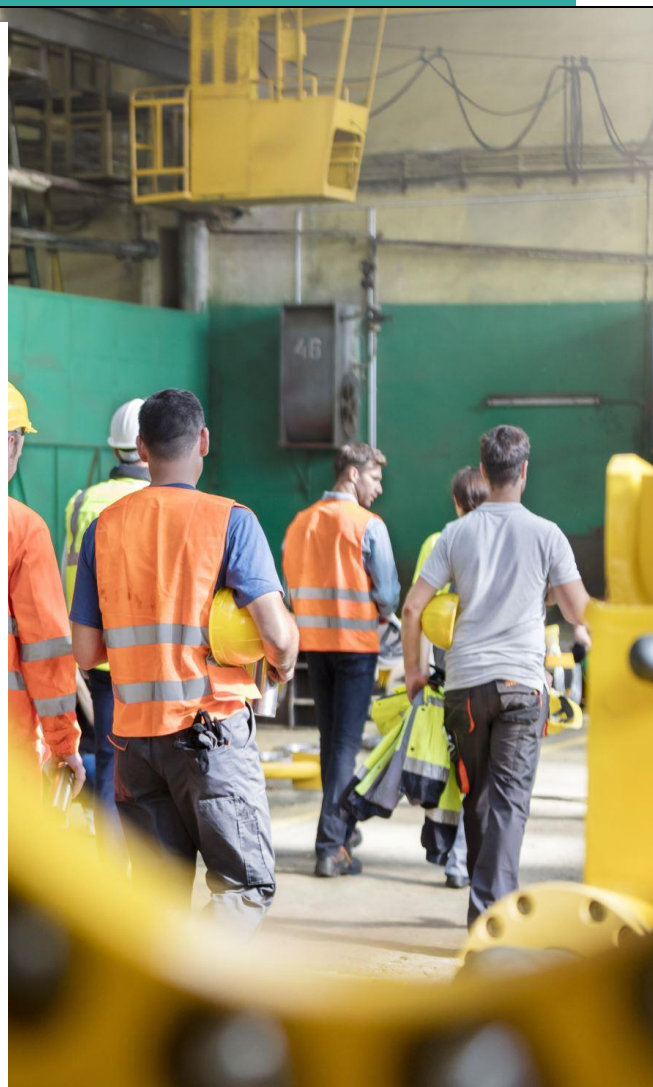


Recruiting Roadmap for U.S. Manufacturers



Employer Tax Incentives

2021 & BEYOND

Growth Management Group - GMG



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"Your Growth is Our Business"



Manufacturer Recruiting Roadmap Leveraging Employer Tax Incentives

Step 1

**Identify & Claim
Employee Retention
& R&D Tax Credits**

Up to \$26,000/eligible employee

Step 2

**Allocate % of Incentive
Payments to Enhance
Recruitment Packages**

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Step 3

**Pre-screen New
Hires for WOTC
Tax Credits**

Up to \$9,600/eligible new hire

Employee Retention Tax Credits

As a part of the federal pandemic relief package, Congress updated an existing tax credit known as the Employee Retention Credit (ERC) to encourage employers to keep employees on the payroll.

With continued expansions to ERC, **nearly every employer qualifies for this tax credit**. Employers are encouraged to take advantage of this expansion as each qualified employee can bring up to \$26,000 to the employer.

GMG has been helping our clients navigate tax credits for over 19 years. We provide the practical help you need during this time of crisis. A quick look at our online calculator will show you how much your tax credit is.

If you claim the ERC, how will it impact your federal tax return?
Per the IRS:

“An employer receiving a tax credit for qualified wages, including allocable qualified health plan expenses, does not include the credit in gross income for federal income tax purposes.

Neither the portion of the credit that reduces the employer’s applicable employment taxes, nor the refundable portion of the credit, is included in the employer’s gross income.”

Who is eligible?

Private employers, including non-profits, that:

- Had operations fully or partially suspended as a result of COVID-19 - OR
- Experienced a significant decline in gross receipts due to the coronavirus.
- Startups also now qualify.
- Employers who received **PPP loans** are **NOW ELIGIBLE FOR ERC CREDITS**

How much is the tax credit per eligible employee?

- 50% of first \$10K in 2020 compensation = \$5,000/employee
- 70% of first \$10K per quarter in Q1-3 2021 compensation = \$21,000/employee

How is the credit paid?

The credit reduces your employer Social Security tax liability.

If credit is larger than social security tax liability, you will get a direct refund from the IRS for the difference.

The credit is claimed on federal employment tax returns using Form 941, Employer’s Quarterly Federal Tax Return.

An amendment can be made to your Form 941 if determined you qualify after you've filed. Eligible employers can file for an advance on the ERC and can claim the credit immediately by reducing payroll taxes to the IRS.

[Click here to see an initial estimate of your tax credits.](#)

(These include R&D credits - ERC credits are additional and will be estimated in a follow-up eligibility screening call)



Work Opportunity Tax Credits for New Hires

Federal Work Opportunity Tax Credits (WOTC) are general business tax credits for employers that hire job candidates from any of ten categories of underemployed target populations. The credits can offset federal income taxes and can be carried back to the prior year or carried forward 20 years.

Target groups include military veterans, long-term unemployed, SNAP (food stamp) recipient families, empowerment zone residents, summer youth workers and other underemployed target populations (see table below). Tax credits average \$2,400 per eligible new hire and, for disabled veterans unemployed for six months or more, are **up to \$9,600** that is deducted dollar-for-dollar from corporate tax payments.

Recruit More Effectively

Low unemployment and generous unemployment benefits mean record difficulty in recruiting and retaining new hires. One potential use of these tax savings is to redeploy some of it to enhance wages and benefits to better compete for talent in today's highly competitive recruitment arena – making for a “win-win” for employer and employee alike.

The termination of federal unemployment insurance subsidies will mean more potential new hires may be eligible for these tax credits that - unlike tax deductions - fall straight to your bottom line.

And when employees *do* move on, you're able to lower your costs of recruiting their replacement by leveraging these tax credit hiring incentives.

Target Populations

Veterans	Long-Term Unemployment Recipients
Long-Term Temporary Assistance for Needy Families Recipients	Short-Term Temporary Assistance for Needy Families Recipients
Supplemental Nutrition Assistance Program (SNAP) Recipients (Food Stamps)	Supplemental Security Income Recipients
Designated Community Residents -18-39-year-olds in federally designated Rural Renewal County/Empowerment Zone	Ex-Felons
Vocational Rehabilitation Referrals	Summer Youth Employees

GMG's paperless process for screening job applicants and optimizing eligibility for WOTC (Work Opportunity Tax Credits) and other hiring tax credits is simple:

- Job candidates answer a few simple questions using our proprietary software.
- You receive instant feedback on potential Local, State, & Federal Hiring Tax Credits.
- Upon hire, we automatically submit the necessary paperwork for approval.
- Once approved, we provide necessary payroll documents to receive the benefit.

GMG's WOTC service is paperless.



This table reflects GMG's monthly sliding fee schedule for **unlimited** eligibility searches based on the number of annual new hires.

Comparative WOTC Benefits

	Typical WOTC Provider	GMG
New Hires Annually	100	100
Typical Capture Rate	20%	40%
Qualified Hires	20	40
Average Benefit	\$2,400	\$2,400
Tax Incentive Savings	\$48,000	\$96,000
Base Incentive Fee	25%	15%
Net to Employer	\$36,000	\$81,600
GMG Performance Advantage*		2.26X*



Max Hires Per Year	Monthly Cost
9	\$19
15	\$29
25	\$49
50	\$99
75	\$149
100	\$199
150	\$299
200	\$399
200+	Custom

*Before lower processing charges that further improve GMG's performance vs. typical provider.

Determine your credits today.
[Click here to visit our online calculator](#)

