

## EMPLOYMENT INCENTIVES – PERSONS WITH DISABILITIES

### EMPLOYMENT MATTERS

#### Benefits of a Job

- ✓ Gain a sense of purpose, increased independence
- ✓ Greater connection with the community
- ✓ A path towards financial security

Currently, only 17.1% of persons with disabilities (PWDs) are employed compared to 64.6% of people without disabilities. PWDs benefit from having a job for the same reasons as everyone else. Moreover, having a job is associated with better mental health outcomes and fewer behavior problems for PWDs. By encouraging businesses to recruit and hire PWDs the wellbeing of society as a whole can increase.

### EMPLOYING PWDS

The Office of Disability Employment Policy (ODEP) found that larger companies are more likely to actively recruit PWDs. 53.1% of large companies with more than 250 employees employ PWDs. Furthermore, larger companies indicated they hire PWDs to increase company productivity and to increase earnings. Since large companies are more likely to actively recruit and hire PWDs, the following federal tax incentive information should be directed towards small and medium-sized businesses.

### FEDERAL TAX INCENTIVES

#### I. WORK OPPORTUNITY TAX CREDIT (WOTC)

- **Eligibility:** Firms that hire workers who have received Social Security Income (SSI) benefits within 60 days prior to being hired, or if they hire workers referred to the firm by a Vocational Rehabilitation (VR) agency.
- **Incentive:** Firms are reimbursed a percentage of a worker's wages for up to two years. The maximum amount reimbursed depends on the worker's background.
- **Incentive:** The maximum reimbursement can be \$9,600 over two years.
- There is no limit to the number of qualified employees for which an employer can take the credit
- <https://www.doleta.gov/business/incentives/opptax/wotcEmployers.cfm>

## II. WOTC EXTENSION FOR HIRING VETERANS WITH DISABILITIES

- **Eligibility:** Firms who hire military veterans with service-connected disabilities through the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011.
- **Incentive:** \$4,800 of first-year wage reimbursement for veterans with service-connected hire within one year of leaving the armed forces.
- **Incentive:** \$9,600 of first-year wages for those who have been unemployed for at least six months.
- [https://www.doleta.gov/business/incentives/opptax/PDF/employers\\_wotc\\_veterans\\_brochure\\_5\\_24\\_12.pdf](https://www.doleta.gov/business/incentives/opptax/PDF/employers_wotc_veterans_brochure_5_24_12.pdf)

## III. DISABLED ACCESS CREDIT: SUPPORT FOR MODIFICATIONS AND ACCOMMODATIONS

- **Eligibility:** Firms that employ less than 30 full-time employees or whose gross receipts do not exceed \$1 million during the preceding tax year.
- **Incentive:** The maximum reimbursement is \$5,000 per year. The credit can be “carried backward” up to 3 years and “forwarded” up to 15 years to subsidize larger expenditures.
- Firms earn a tax credit for when they make changes to their workplaces that improve Americans with Disabilities Act Amendments Act of 2008 (ADAAA) accessibility requirements for PWDs.
- <https://www.irs.gov/uac/Form-8826,-Disabled-Access-Credit-1>

## IV. DISABLED ACCESS CREDIT: ARCHITECTURAL AND TRANSPORTATION BARRIER REMOVAL DEDUCTION

- **Eligibility:** Firms that employ less than 30 full-time employees or whose gross receipts do not exceed \$1 million during the preceding tax year.
- **Incentive:** Firms deduct up to \$15,000 of the cost of making public-use vehicles or facilities more accessible for PWDs.
- Examples include widening doorways to meet Americans with Disabilities Act (ADA) standards and constructing accessible ramps for PWDs.
- <http://www.eeoc.gov/facts/fs-disab.html>

## V. ON-THE-JOB TRAINING PROGRAM FOR HIRING VETERANS WITH DISABILITIES

- **Eligibility:** Firms participating in the US Department of Veterans Affairs’ (VA) Vocational Rehabilitation and Employment (VR&E) Program’s On-the-Job Training Program.
- **Incentive:** Veterans are hired at an apprentice wage. The VR&E Program supplements the wage to a journeyman’s scale and the necessary tools for the apprenticeship.
- **Incentive:** Firms in this program can also claim a tax credit under the WOTC program.
- <http://www.benefits.va.gov/VOCREHAB/employers.asp>

## VI. SPECIAL EMPLOYER INCENTIVE PROGRAM FOR HIRING VETERANS WITH DISABILITIES

- **Eligibility:** Firms hiring a veteran with extraordinary obstacles to employment. The VA determines whether veterans meet this qualification.
- **Incentive:** 50% reimbursement of wages for up to 6 months.
- **Incentive:** Firms in this program can also claim a tax credit under the WOTC program.
- <http://www.benefits.va.gov/VOW/docs/seiflyerfinal.pdf>

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### IMPORTANCE

#### Recommendations

- ✓ Regularly collect data on how PWDs affect a firm's productivity and performance
- ✓ Educate the public on the available tax incentives for hiring PWDs
- ✓ Provide further State tax incentives for firms hiring PWDs

Providing data about the positive impacts of hiring PWDs, including increases in productivity and performance, would persuade companies to actively recruit PWDs. (ODEP, 2008). Moreover, an increase in tax incentives for employers at both the Federal and State level would also lead to more companies hiring PWDs. To view the current list of Florida Tax Incentives, click the link below.

[http://www.employmentincentives.com/state\\_incentives/Florida/fl\\_tax\\_incentives.htm](http://www.employmentincentives.com/state_incentives/Florida/fl_tax_incentives.htm)

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### REFERENCES

Office of Disability Employment Policy (ODEP), (2008). Surveyor of Employer Perspectives on the Employment of People with Disabilities.  
Employer Assistance and Resource Network (EARN), (n.d.). Employer Incentives for Hiring People with Disabilities: Federal Tax Incentives At-A-Glance.  
Vanderbilt Kennedy Center. (2014). Employment and individuals with Disabilities.

Last Revised 03/2016