

## **COVID-19 HR Related Q&A from Harold Ford, Employer Solutions Consulting Manager**

Over the past few weeks, we have received many questions regarding COVID-19 and its impact on the workforce. See below for answers to some of the commonly asked questions to our team:

### **Q: Who is eligible for WOTC?**

**A:** An employer may be eligible for Work Opportunity Tax Credit when they hire from certain target groups of job seekers who consistently face employment barriers. The WOTC tax credit is a one-time tax credit for each new hire but there is no limit to the number of new hires who can qualify.

### **Q: How is WOTC Calculated?**

**A:** Calculations are tiered first by hours. For qualified employees that work between 120 and 399 hours, the credit is equal to 25% of the first \$6,000 of wages. For employees that work over 400 hours, the credit is 40% of the first \$6,000 wages. For employees that qualify as Long-Term Temporary Assistance, the credit is 40% of \$10,000 of first year and 50% of \$10,000 of second year wages (maximum \$9,000 credit).

### **Q: How must the Paycheck Protection Program (PPP) be used for loan amounts to be forgiven?**

**A:** Loans will be forgiven so long as the proceeds cover employee payroll costs (salary, wages, commissions, and tips capped at \$100,000 for each employee), health insurance premiums, state/local taxes assessed on compensation, mortgage/rent, and utilities over the eight-week period after the loan is made. Employee and compensation levels must be maintained.

### **Q: Does PPP cover paid sick leave?**

**A:** Yes, however the CARES Act excludes qualified sick and family leave wages for which a credit is allowed under Families First Coronavirus Response Act (FFCRA).

### **Q: We've already laid off employees, can we apply for PPP?**

**A:** Yes you can apply, but the amount of loan forgiveness will be reduced unless you rehire employees by June 30, 2020.