

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WOTC/WtWTC
	CORRESPONDENCE SYMBOL OWI
	DATE January 31, 2005

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 15-04

**TO: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS**

**FROM: EMILY STOVER DeROCCO
Assistant Secretary**



SUBJECT: Ticket to Work Eligibility Under the Work Opportunity Tax Credit Program

1. **Purpose.** To provide information and program guidance to state workforce agencies (SWAs) regarding the Ticket to Work Program and its relationship to the Work Opportunity Tax Credit (WOTC) Program.
2. **References.** The Social Security Protection Act of 2004 (P.L. 108-203); the Working Families Tax Relief Act of 2004 (P.L. 108-311); the Job Creation and Worker Assistance Act of 2002 (P.L. 107-147); the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170); Internal Revenue Code of 1986, Sections 51 and 51A, as amended; and ETA Handbook No. 408, Third Edition, November 2002.
3. **Information.** On March 2, 2004, President Bush signed into law the Social Security Protection Act of 2004, Public Law 108-203. Section 405 of this Act makes the WOTC available to employers who hire certain participants in the Ticket to Work Program. This program is established under the Social Security Act for Social Security Disability Insurance (SSDI) beneficiaries and disabled or blind Supplemental Security Income recipients. Eligible SSDI beneficiaries and disabled or blind SSI recipients, who choose to participate in the Ticket to Work Program, may select an Employment Network (EN), which provides the individual with employment and vocational rehabilitation services and other supportive services. As part of this program, the EN works with the ticket holder to establish an individual work plan described in section 1148(g) of the Social Security Act (42 U.S.C. 1320b-19(g)(1)).

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Section 405 of P.L.108-203 adds the following language after 42 U.S.C. 1320b-19(g)(1)(E):

“An individual work plan established pursuant to this subsection shall be treated, for purposes of section 51(d)(6)(B)(i) of the Internal Revenue Code of 1986, as an individualized written plan for employment under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973.”

The legislation makes the new provision effective as if included in Section 505 of the Ticket to Work and Work Incentives Improvement Act of 1999, Public Law 106-170. However, since the new provision was enacted in March 2004 and WOTC certification requires the employer to submit IRS Form 8850 to the SWA within 21 days after the individual begins work, the new provision will not apply prior to March 2004, the enactment date of P.L. 108-203.

4. **Program Guidance.** As explained above, eligible ticket holders under the Ticket to Work Program may be SSI or SSDI recipients. Therefore, WOTC certification requests for “ticket holders” should be processed under either the Vocational Rehabilitation Referral or Supplemental Security Income (SSI) recipient target groups, as appropriate. All processing and eligibility verification procedures in the November 2002, Third Edition of ETA Handbook No. 408 remain the same and apply to these ticket holders. For certification requests for ticket holders processed as members of the Vocational Rehabilitation target group, the only difference is that the WOTC definition for the referral entity that helps potentially eligible disabled target group members develop an “individualized written plan for employment” has been amended, and now includes Employment Networks that help ticket holders develop “individual work plans.”

As with any other WOTC target group, verification of eligibility for disabled “ticket holders” requires that SWAs contact the appropriate entity or agency providing the required services or benefits. In the case of ticket holders, the SWA must verify that the “ticket holder” has an “individual work plan” under the Social Security Act, 42 U.S.C. § 1320b-19(g)(1), with an EN.

Agreements reached among the Employment and Training Administration, the IRS, the Social Security Administration and MAXIMUS (a publicly-traded company that manages the Ticket to Work Program for SSA) established the following verification process for certification requests for ticket holders:

1. WOTC State Coordinators should fax MAXIMUS a copy of IRS Form 8850 for each ticket holder certification request received to the following secure fax number: 703-683-1051.
2. MAXIMUS will confirm in writing within two business days of the SWA's faxed verification request that: a) the SSA beneficiary is a ticket holder and b) the beneficiary signed an individual work plan (IWP) with an EN.
3. Initially, when verifying eligibility for ticket holders, WOTC State Coordinators should call any of the following MAXIMUS points of contact and alternates to inform them that they are faxing WOTC verification forms: a) Primary contact:

Jennifer Ritchie - 703-236-6605, b) 1st Alternate: Theresa Ramirez - 703-236-6623, or c) 2nd Alternate: Katharine Miller - 703-236-6703.

4. This staff may also be contacted to follow up on the status of a specific ticket holder verification request previously faxed to MAXIMUS.

5. **Action Required.** SWA Administrators are requested to:

- a. Provide this information to all state coordinators and other program related staff;
- b. Increase employer/consultant awareness of, and participation in, this new WOTC credit related incentive; and
- c. Ensure SWAs, all appropriate staff, and program staff in the workforce investment system receive and implement the information contained in this guidance.

6. **Inquiries.** Direct all questions to the appropriate Regional WOTC/WtWTC Coordinator.