

Employer Incentives: Work Opportunity Tax Credit and Minnesota Federal Bonding Program

Did you know that employers can get incentives for hiring you?

One is the **Work Opportunity Tax Credit (WOTC)**. Through this incentive, employers can get an income tax credit when they hire someone convicted of a felony within one year of their release.

The amount of credit the employer will receive depends on the number of hours the new hire works and the wages earned.

The other incentive is the **Minnesota Federal Bonding Program**. Any job seeker with a criminal background may be considered an “at-risk” applicant. Most insurance purchased by employers to protect them against dishonest, harmful employee conduct does not cover “at-risk” employees. As a result, employers may not hire such applicants.

However, the Minnesota Federal Bonding Program is available to all employers who hire “at-risk” applicants. The program issues an insurance bond to employers.^[1] This bond protects them from employee theft of any money or property. The bond lasts for six months. If no claim is made, an employer will be able to purchase a standard commercial policy to cover the no longer “at-risk” employee.^[1]

Only 1% of employers who have used to the Federal Bonding Program have had to make a claim.^[2] This shows that employees with a criminal background may not be as big of a threat to a business as once thought.

Let employers know about these incentives at your job interview. Stress that these are incentives to the employer. Emphasize that you are not a risk to their business. Tell them that only 1% of employers who have used the bonding program have ever had to make a claim.

Make copies of the information on **pages 65 and 67 from the Appendix** to bring with you to the interview. These pages have contact information for these programs that you can point the employer to if they have more questions.

[1] Dept of Employment and Economic Development, “Minnesota Federal Bonding Program,” Positively Minnesota, http://www.positivelyminnesota.com/JobSeekers/Find_a_Job/Targeted_Employment_Services/Workers_With_Difficult_Job_History.aspx.

[2] Dept of Labor, “The Federal Bonding Program,” The Mclaughlin Company, < <http://bonds4jobs.com/index.html>>

