

APPENDIX C

Employer Incentives for Hiring a Worker with a Disability

Nonpaid 215 Hour Job Tryout: This program waives the Department of Labor requirement for an individual to be compensated for work performed within a for-profit private industry. The program allows a person with a disability to work for five hours in exploration of a particular job, ninety hours to assess a participant's skill level in performing the job, and an additional 120 hours for the employer to offer the participant training for the lack of skill identified in the ninety hour assessment, for a total of 215 hours. Industrial insurance is paid through the Vocational Services Unit.

Work Opportunity Tax Credit (WOTC): This is a national program that offers employers of a program's client a tax credit for employing the person. This tax credit is based on 35 percent of the first \$6,000 (up to \$2,100) that the employer pays the participant. A two-page "fill in" form for this program must be signed and dated on the first day of employment and then submitted to a state tax credit unit. Information on this process can always be received from a state vocational rehabilitation agency.

On-the-Job Training: This program is operated in collaboration with a state's vocational rehabilitation agency. The program offers employers compensation to offset the costs of training the participant for a job. The formula for the compensation is based upon reimbursing about one-half of the participant's wage for a period of time (usually three months) during which the participant is offered training in a specific position. The formula can vary with more money being offered "up front" (e.g., 75 percent) and less at the end.

Selective Certification (Piece Rate): Participant's productivity is compared to other workers performing the same job duties. The participant's productivity is then compared against the hourly wage for 100

percent production. If a participant's productivity is 50 percent of other workers and the wage is \$12 per hour, for example, the participant's wage would be established at \$6 per hour (50 percent of \$12 = \$6). This rate can be reexamined if the participant's productivity increases.

Job Coaching/Coworker as Mentor: State vocational rehabilitation will often pay for this training or mentoring service while a person learns and adapts on a job.

Barrier Removal Tax Credits and Deductions: Under the Americans with Disabilities Act, in order to enable a small business to remove barriers for individuals with disabilities, provide interpreters, and modify or acquire helpful equipment, Section 44 of the Internal Revenue Code has been changed to allow a general business tax credit of up to \$5,000 annually. Additionally, Section 190 of the Code allows a deduction of up to \$15,000 annually to any business making qualified architectural or transportation barrier removals that improve business access for people with disabilities.