



How a health care staffing firm saved five figures in federal tax credits

Found **27%** of employees eligible

Saves **4 hours** a month

Reduced tax liability by **\$70,000**

Employing nearly 1,700 people across two states, a health care staffing firm headquartered in Tennessee knew about the federal government’s Work Opportunity Tax Credits (WOTC) program. However, according to the business’s chief executive officer, the company had neither the time nor the resources to take advantage of the billions of dollars available – until it made the switch to Paycom.

PROBLEM

Despite being in business for 23 years, the company had not taken advantage of the U.S. Department of Labor’s WOTC program. Under the program, created in 1996, employers are incentivized to hire targeted individuals who consistently face significant barriers to employment. In return, the employer’s federal tax liability is decreased almost dollar-for-dollar, and in some cases, even eliminated.

Before switching to Paycom, the company first tried a competing HR technology software; until enlisting that competitor, the firm had been processing payroll manually. Explained the CEO, “It was too great a burden for us to manually capture the tax credit information and provide the information to federal and state authorities on a timely basis.”

The competitor did offer a tax credits service, but it was neither proprietary nor seamless – both of which were red flags to the CEO.

“They used a third party that was loosely associated with them, and it just didn’t pass our ‘smell test,’” he said. On top of that, the competitor’s software “was a lot of different systems connected to one another, so our office employees didn’t really care for it too much.”

“The credits are out there. We might as well take advantage.”



SOLUTION

Paycom's Tax Credits service identifies, qualifies, calculates, secures and processes available credits from the billions of dollars available from the government, so employers don't have to. The service also is risk-free: If Paycom finds no credits, the employer pays nothing for the search.

Paycom's search struck gold for the health care staffing firm; a little more than 27% of its new hires were found to be WOTC-eligible. Typically, the employer's tax liability is reduced between \$1,200 and \$2,400 per eligible employee, but in some cases, the total for one new hire can reach \$9,600.

Being part of Paycom's all-in-one software, data in the Tax Credits tool flows seamlessly to all other tools in the app, including those in the Talent Acquisition suite. On his real-time dashboard, the CEO can see how many new hires among 26 offices were credit-eligible, and keep managers of those locations accountable for prescreening candidates.

And given the nature of the health care staffing business, the firm performs a lot of hiring. Not only does it employ people "of a certain demographic for which work opportunity tax credits have tremendous applicability," said the CEO, but "we're also employing people who work in certain geographic areas for which the tax credits have greater opportunity."

RESULTS

Because Paycom's Tax Credits search is instant, its results are, too. With a cumbersome manual process transformed into one that is short and simple, the service saves the CEO an estimated hour of work each week. An added benefit he did not expect is that the service literally pays for itself.

"It effectively covers the cost of our Paycom services, so it just makes sense. It's found money," the CEO said. "For us, it provided a tangible benefit of about \$70,000 last year. That right there is enough to get somebody's attention. We're never fully staffed in our industry. We're always going to need staff, we're always hiring. So this is just icing on the cake.

"Anytime you can pick up an additional \$20,000 to \$100,000 without incurring additional costs, why would you not want to do it? Like we say in the South, it's low-hanging fruit."

"The bottom line is economics. With the seamless approach you use, and with the cost benefit, it just made sense."

This case study reflects actual data and results from a Paycom client. Because of our commitment to protecting the identity of our clients, we do not share their name publicly. However, we have many happy clients eager to share their story with you when you're ready to meet with one of our Paycom representatives.



60 MINUTES
saved per week

=



4 HOURS
saved per month

=



3,120 MINUTES
saved per year