

Update: August 2011

Tax Intelligence

Employee Referral Wage Subsidy Programs

Situation

On February 13, 2009, Congress passed the American Recovery and Reinvestment Act of 2009. The Recovery Act was a direct response to the economic job crisis and was passed to stimulate the economy by creating new jobs and saving existing ones. States were allocated federal funds to meet the Recovery Act goals, and the funds allowed states the opportunity to implement new job incentive programs. The new programs were part of the Temporary Assistance for Needy Families (TANF) program and offered employee referral-based wage subsidies. The funding for the TANF programs expired on September 30, 2010. The majority of states did not extend the wage subsidy programs, but a few states stepped up to the plate to create, enact or extend very similar wage subsidy programs.

Solution

The following state programs are examples of the many subsidies that refer qualified job candidates directly to the company, based on the company's specifications. The employee referral wage subsidy programs allow the employer the opportunity to gain an employee with work experience and receive incentives to help with the costs of on-the-job training. The programs are designed to get long-term unemployed individuals back on the job and for the employer to retain the employee. The funds for these programs are limited and may exhaust at any time.

New York Wage Subsidy and Transitional Employment Program offers employers up to \$12 per hour during the six month period.

Nevada Silver State Works Initiative Program offers three components to the program:

- The Employer-Based Training offers up to \$600 for a six week period.
- The Employer Incentive Job Program offers up to 50% of the agreed upon gross wages for the contract period.
- The Incentive-Based Employment offers up to \$2,000 in a wage and training subsidy for hiring and retaining employees up to 120 days.

Texas Back to Work Program offers employers up to \$2,000 in wage subsidies for hiring full-time qualified individuals for 120 days.

Value

Due to the employee referral process being between the company and the state administering agency, TALX may be unable to administer some of these programs. However, if your company is interested in receiving more information on the wage subsidy programs, you may contact Pete Krieshok at (314)214-7325 or via email at pkrieshok@talx.com.