

Tax Breaks for Hiring Felons

Employers might also be missing out on something known as the Work Opportunity Tax Credit. Found at the U.S. Department of Labor website (www.doleta.gov), this tax credit can be applied to employers who choose to hire certain classifications of people, which in this case is a felon or “an individual who was convicted of a felony and who is hired not more than one year after the conviction or release from prison.” The maximum eligible tax credit is \$2,400 per adult hired, which is the same as the tax credit that is available for hiring veterans of the armed forces. Additionally, there is a Federal Bonding program which may provide the employer with a short term liability bond ranging from \$5,000 to \$25,000 at no cost to the employer. These bonds are designed to protect employers from the possibility of theft or dishonesty on the part of an ex-felon.

It’s understandable that many employers shy away from hiring ex-felons due to the stigma that is attached to former inmates who have served up to decades in prison. But employers should understand that, while an ex-felon may be out of prison, that doesn’t mean they’re not being checked on. Residents assigned to work releases or on probation are almost always given random drug testing, are consistently checked on, and in some cases, are even attending counseling or some form of therapy. When employers provide these people an opportunity to return to work and rebuild their lives, they’re not only gaining the loyalty of the ex-convict, but of that person’s family, multiple connected organizations, and groups of people through word of mouth alone. Potential employers should take a second and look beyond the stigma of being a felon, and carefully weigh the potential positives of hiring an ex-convict.

Regards,

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