

## **Hiring Veterans Makes Good Business Sense**

California is currently home to 1.9 million vets. Another 30,000 men and women separate from military service and return to the State every year. With the withdrawal of troops from Iraq and Afghanistan, an additional 6,000-10,000 veterans are expected to return to California by the end of the year.

Unfortunately, these brave and selfless individuals are returning to a 12.5% state unemployment rate and an economy that is forcing more and more businesses to close. With more than two million unemployed Californians to choose from, why would an employer want to specifically recruit veterans? Besides significant employee value, veterans may bring thousands of dollars in tax credits and other employer benefits.

### **Veterans make great employees**

Veterans are trained to be team focused, mission oriented, responsible, respectful and accountable. They have learned how to do more with less, to work well under pressure, to adapt quickly to changing conditions, and to make the best of any situation. Many veterans have been trained to be leaders. All veterans have been trained to understand and respect chain of command.

### **Tax benefits and other incentives may be available**

Business owners may be entitled to thousands of dollars in state and federal tax benefits and other incentives for hiring qualified veterans. The federal [Work Opportunity Tax Credit](#), for example, is based on a percentage, ranging from 25 percent to 40 percent, of qualified first-year wages. Maximum eligible credits may be as high as \$2,400 for hiring a qualified veteran and up to \$9,600 for hiring a veteran with service-connected disabilities.

Other state and federal benefits for hiring veterans may include:

- State-level hiring credits -- \$37,000 (over 5 years) [California Enterprise Zone](#) tax credit for employers hiring certain economically challenged employees, including veterans;
- Training funds, tuition reductions, and military pay exemptions;
- Federal [Mentor-Protégé Program](#) – Allows certain government contractor reimbursements for training/incidental costs associated with training physically challenged veterans.

According to the [Corporate Taxation Insider](#), which offers more detailed information about the tax benefits of hiring veterans, the process for documenting these state and federal tax benefits is fairly straightforward for the certified public accountant or taxpayer. In addition, systems can be set up to allow the employer to pre-screen the employees before they are hired in order to streamline the documentation process and maximize the hiring credit.

### **Employment costs may be lower**

Depending on the nature of their service, veterans who separated from military service after 9/11 may be entitled to five years of free health care through the U.S. Department of Veterans Affairs. That means a substantial savings for employers who don't have to pay for or contribute to the health care premiums of those veterans.

### **Veteran employment is a national priority**

Last year, President Obama signed into law the [VOW to Hire Heroes Act](#) which provides much-needed practical support to veterans transitioning from combat to careers. The President has publicly challenged the private sector to hire 100,000 veterans or spouses by the end of 2013. A recently announced White House plan hopes to see thousands of post-9/11 veterans placed in first responder positions and positions working to restore and protect national parks. The First Lady and the Vice President's wife are hard at work promoting the [100,000 Jobs Mission](#) and the [Military Spouse Employment Partnership](#).

Regardless of political affiliation, companies that openly support efforts to hire veterans and their families become associated with American heroes and a become part of a highly visible, widely popular and enormously resonant public service effort.

### **The bottom line**

Employers that support veterans—especially by offering them employment—stand to strengthen their talent pool, get substantial tax breaks and other savings, and gain a competitive edge. Equally, or perhaps even more important, is that hiring our nation's heroes is the right thing to do. It improves their lives, the lives of their families, and the communities in which they live. Isn't that the least we can do for them?

### **Additional Resources**

[Veteran Employer Toolkit](#)

[Military Skills Translator](#)