

Program Highlights

Purpose:

The Job Creation Performance Incentive Fund (PIF) provides a performance-based incentive payment to qualifying companies that have created net new full-time permanent jobs (jobs) paying above average wages. The program is designed to support and encourage new business development, business expansions and relocations that have generated new jobs throughout the State.

Funding Source:

New Jobs Incentive Cash Fund.*

The State's Role:

The Colorado Office of Economic Development and International Trade (OEDIT) provides administrative support for the Colorado Economic Development Commission (EDC). The EDC has oversight authority for this program. The OEDIT's Business Finance Staff will facilitate the application review/disbursement process generally within 60 business days after receipt of an application.

Requirements:

After maintaining its net new full-time permanent jobs for one year, an employer may submit an incentive application. Incentives will be awarded to applicants in the order in which the EDC receives complete, accurate and eligible applications (first come, first served) until all program funds have been expended. Eligible applications that are received after funds have been expended will be placed first in line until new funding is available.

Employers located in an enterprise zone must hire at least five net new full-time permanent jobs within six months and employers located in a non-enterprise zone must hire at least 10 net new full-time permanent jobs within six months. Businesses with multiple locations within Colorado may combine locations to meet the minimum job creation requirements as long as all jobs are hired within the same six month period. If one or more of the businesses' locations are in a non-enterprise zone, the minimum job creation requirement is 10 net new full-time permanent jobs.

Net new full-time permanent jobs are those jobs that are in addition to the businesses' three year full-time employee average (from the preceding three years).

If a business is affiliated with a parent company or subsidiary that is also located in Colorado, the net new full-time permanent jobs must be in addition to a three-year average of all Colorado Affiliated entities. In addition, if a business has multiple locations, the net new full-time permanent jobs must be in addition to a three-year average of all Colorado locations.

The employer must maintain all of the net new full-time jobs for at least one year in order to claim the incentive.

Incentive:

The following tables reflect potential incentive levels based on the *annual average wage rate* of *net new full-time permanent jobs* compared to the *county average wage rate* (county source: QCEW Annual Tables provided by the Dept. of Labor and Employment). The *annual average wage rate* calculation does not include benefits.

Enterprise Zone	
Average Wage Rate %	\$ Incentive/ Eligible Job
100%	\$1,500
110%	\$2,500
120%	\$3,500
130% or >	\$4,500

Non-Enterprise Zone	
Average Wage Rate %	\$ Incentive/ Eligible Job
110%	\$2,000
130%	\$3,000
150% or >	\$4,500

Process:

The OEDIT Business Finance Staff will facilitate the application review/disbursement process generally within 60 business days after receipt of a complete application.

A business can submit multiple applications as long as they meet the program requirements.

Businesses already receiving an incentive from the EDC may not receive an incentive from the Job Creation Performance Incentive Fund for the same net new full-time permanent jobs.

*An amount equal to 15% of each annual allocation will be used by the Commission to award performance-based incentives to employers who open a business or expand or relocate an existing business from an out-of-state location and create new jobs in an enterprise zone that is not within the counties of Denver, Boulder, Douglas, Arapahoe, Jefferson or Broomfield.

Definitions

Acquired Jobs - jobs that are obtained when a company acquires, merges, or uses other methods of combining businesses solely located in Colorado. These jobs are excluded from all relevant calculations so that the net impact on jobs in Colorado can be calculated. Companies are encouraged to contact OEDIT staff to assist with determining relevant calculations.

Affiliated - the parent, subsidiary or sister company that is related to a business applying for the incentive.

AWW - Average Weekly Wage.

Annual Average Wage Rate % - calculated by dividing the Eligible Employee Annual Average Wage Rate by the County Annual Average Wage Rate.

Annual Regular Salary or Annual Wage Rate - the annual Regular Salary for Eligible Jobs.

Baseline Full-Time Employee(s) - an average of full-time employees within Colorado for the preceding 3 years (36 months or 12 quarters). To calculate this figure, take the sum of the total full-time employees for the last 36 months and divide by 36. New Colorado businesses less than 3 years old will sum the number of employees for the number of months they have been operating in Colorado and divide by that number of months. If a business is Affiliated with a parent company or subsidiary that is also located in Colorado, the baseline calculation must include full-time employees from *all* Colorado Affiliated entities. In addition, if a business has multiple locations, the Baseline Full-Time Employee(s) calculation must include full-time employees from *all* locations.

County Annual Average Wage Rate - county average wage rate is pulled directly from the Department of Labor & Employment website at [Colorado Quarterly Census of Employment and Wages \(QCEW\) Home Page](#). Select the annual report that was available at the time of the first month of the Hiring Period for the net new full-time permanent jobs.

- Jobs created from January 2006 through June 2006 use 2004 Annual Table
- Jobs created from July 2006 through June 2007 use 2005 Annual Table
- Jobs created from July 2007 through June 2008 use 2006 Annual Table
- Jobs created from July 2008 through June 2009 use 2007 Annual Table
- Jobs created from July 2009 through June 2010 use 2008 Annual Table

This figure is calculated by taking the county's "AWW" figure from the "Total All Industries" category and multiplying by 52. If the net new full-time permanent jobs are located in multiple counties, a weighted average will be calculated based on % of new jobs within each county.

Days - referred to in this program is based on business days.

Eligible Employee Annual Average Wage Rate or Annual Average Wage Rate - the average annual wage rate for the Net New Full-Time Permanent Employees. It is calculated by dividing the total of all the Eligible Jobs' annual Regular Salaries by the number of Eligible Jobs.

Eligible Incentive - the potential grant amount that can be awarded to the applicant (# Eligible or Net New Full-Time Permanent Jobs x \$ Incentive/Eligible Job).

Eligible Jobs - see Net New Full-Time Permanent Job.

Enterprise Zone - Colorado's Enterprise Zone ([Enterprise Zone \(EZ\)](#)) program provides tax incentives to encourage businesses to locate and expand in designated economically distressed areas of the state. There are 16 Enterprise Zones and 3 sub-zones in Colorado. Businesses located in a zone may qualify for ten different Enterprise Zone Tax Credits and Incentives to encourage job creation and investment in these zones.

Full-Time Employee/Job - a full-time employee hired to fill a new job working 40 hours or greater a week. The full-time employee must have payroll taxes paid by the employer applying for incentives. Contract and leased employees are excluded. Any full-time position that is shared by two part-time individuals performing the same tasks may be considered a full-time employee/job if appropriate documentation is provided with the disbursement report.

Full-Time Employee Reports - a list of full-time employees including a unique identifier, position/title, location (if multiple locations) and hire date.

Hiring Period - the six-month time frame when the Net New Full-Time Permanent Jobs were hired.

Month - referred to in this program is based on calendar months.

Month 6 - the last month in the Hiring Period.

Month 18 - the last month of the New Job Maintenance Period.

Month 18 Eligible Jobs - the difference between the # of full-time employees for the Previous Month and the # of full-time employees for Month 18.

NAICs Code - the North American Industry Classification System.

Net New Full-Time Permanent Jobs - a full-time job created in the state by an employer for which an employee is hired and that is in addition to the average number of full-time jobs that the employer provided in the state for the three years preceding the Hiring Period. This number is calculated by subtracting the Baseline Full-Time Employee(s) average from an average of full-time employees for the last 18 months. There are three separate calculations that are used to determine # of Eligible or Net New Full-Time Permanent Jobs for the application:

- **Net New Full-Time Permanent Job Calculation** – this number is calculated by subtracting Baseline Full-Time Employee(s) from the average of full-time employees over the New Job Maintenance Period.
- **Eligible Jobs (including New Job Maintenance Period comparison)** – this is a two step process involving the 1) calculation of Eligible Jobs (the difference between the number of full-time employees for Month 6 of the Hiring Period and the Previous Month); and 2) calculating the Month 18 Eligible Jobs which involves comparing full-time employees prior and during the New Jobs Maintenance Period to ensure that the Eligible Jobs have been maintained for one year.
- **Eligible Jobs compared to Net New Full-Time Permanent Jobs** – the smaller number between, Net New Full-Time Permanent Jobs, Eligible Jobs or Month 18 Eligible Jobs is the number that will be used as the # of Eligible or Net New Full-Time Permanent Jobs for the incentive calculation on the application.

New Job Maintenance Period - all Net New Permanent Full-Time Jobs must be maintained for at least one year (12 months) in order to be eligible for incentives. To determine if the New Job Maintenance Period requirement was met, the number of Full-Time Employees from the Previous Month is subtracted from the number of Full-Time Employees from Month 18 of the Hiring Period. If this difference is greater than or equal to the job creation required, the New Job Maintenance Period has been met.

Previous Month - the month prior to the first month of the Hiring Period.

Regular Salary - salaries including overtime pay and bonuses but does not include other compensation such as benefits and profit sharing.

\$ Incentive/Eligible Job - the grant amount available per Eligible Job based on the Average Wage Rate %.