



Policy and Procedure

Title:	Work Based Training (formerly OJT)	Number:	OP-12-09
Effective Date:	July 1, 2012	Revisions:	7/11/19

Purpose

The purpose of this policy is to establish guidelines for the arrangement of OJT, Work Experience, and Transitional Jobs where an individual will be able to learn an employment related skill, gain work experience, and/or qualify for a particular occupation through demonstration and practice.

Reference

- Federal Register 20 CFR 680
- Dept. of Labor TEGL 03-15
- Dept. of Labor TEGL 19-16

Policy

Definitions

On-the-job training (OJT)

- A. Training by an employer that is provided to a paid employee while engaged in productive work in a job; and
- B. Knowledge or skills training that is essential to the full and adequate performance of the job; and
- C. Training that provides reimbursement to the employer of up to fifty percent of the wage rate of the WIOA participant, for the extraordinary costs of providing the training and additional supervision related to the training.
- D. OJT training funded by non-WIOA sources may allow higher rates of reimbursement in accordance with grant specifications.

Work Experience (WE)

A planned, structured learning experience that takes place in a workplace for a limited period of time. Work experience may be paid or unpaid, as appropriate. A work experience workplace may be in the private for-profit sector, the non-profit sector, or the public sector.

Transitional Job (TJ)

A Transitional Job (TJ) seeks to connect individuals, with chronic unemployment or an inconsistent work history, with opportunities to build work place skills and job history. TJ is a paid work experience that:

- Is time limited and subsidized;
- Is in the private for-profit sector, the non-profit sector, or the public sector;
- Is provided to individuals with barriers to employment who are chronically unemployed or have an inconsistent work history;
- Is combined with comprehensive employment services and supportive services; and
- Is designed to help participants establish a work history, demonstrate success in the workplace, and develop the skills that lead to entry into and retention in unsubsidized employment.

Individuals with "chronic unemployment" or and "inconsistent work history" are those who:

- *Have been unemployed for 13 weeks or longer; or*
- *Were unemployed at least 26 of the past 52 weeks; or*
- *Have held three or more jobs in the past 52 weeks and are currently unemployed or underemployed.*

Eligibility

A. Participant Eligibility:

1. OJT, WE, and TJ participants are WIOA participants who, after objective assessment(s) have a documented plan indicating the participant is in need of, and can benefit from, OJT, WE, or TJ.;
2. Employers may refer an individual to a WIOA program when an individual has applied for employment but has not been hired. This is called reverse referral. The job seeker, if eligible for WIOA services may then be enrolled in an OJT contract with the employer who initially referred the job seeker.
3. When a participant is referred to an employer for an OJT, WE, or TJ, the employer will interview the participant and determine if the participant will fit their employment need before entering into a contract.

B. Employer Eligibility for OJT only:

1. Employer may be public, non-profit, or private sector, and must provide a Federal Employer Identification Number;
2. Must have been in business and had one, or more, employees for at least one year;
3. Must have adequate personnel to provide sufficient supervision and training;
4. Must provide a minimum of 50% of the employee's wage throughout the training period (This minimum is applicable to WIOA programs only);
5. Must provide benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work;
6. Must not have a history or pattern of failing to provide OJT participants with continued employment with wages, benefits, and working conditions that are equal to those provided regular employees who have worked a similar length of time and are doing the same type of work;
7. Must not have relocated from any location in the United States within 120 days, if the relocation resulted in any employee losing his or her job at the original location; and
8. Must not use OJT assignments to displace regular employees, or to replace any employee on layoff status.
9. Must be the actual employer of record for all participant wages. A temp or payroll agency may not serve as the employer of record.
10. OJT training cannot involve political activity.
11. OJT training funds cannot be used to assist, promote or deter union organizing or activity. OJT contracts shall not be provided in any occupation in which a labor union represents employees engaged in similar work without giving such organization an opportunity to comment.
13. The employer must notify the contractor representative immediately if any reduction in force is planned or takes place. The OJT contract may be discontinued if it is viewed as affecting other workers, even in an indirect manner.
14. The employer must maintain workers compensation insurance, if required by law, and shall provide assurances that they are, and will remain, in compliance with all employment tax reporting requirements.
15. Cannot be for employer occupations that have commissions as the primary source of income.
16. Cannot be for intermittent and seasonal employer occupations.
17. Cannot be for an employer position that will be converted into contractor (non-payroll) position.
18. OJT position must be full-time and also lead to a full-time position (defined as at least 30 hours per week).

C. Payments to Employers:

1. Are deemed to be compensation for the extraordinary costs associated with training participants including additional supervision, training and the costs associated with the lower productivity of the participants, and those extraordinary costs need not be documented by the employer; and
2. Must not be in excess of 50 percent of the wage rate of the WIOA OJT participant. Other grants may allow a greater percentage of reimbursement to the employer.
3. Payment can only be made for actual hours worked and paid (not holidays or paid leave).

4. If the position is paid by salary, rather than by an hourly wage, the rate shall be calculated by multiplying the monthly salary by 12, and then dividing that total by 2080, to calculate an hourly rate of pay on which to base the allowed percentage of reimbursement.

D. Duration:

An OJT contract must be limited to the period of time required for a participant to become proficient in the job for which the training is designed. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the job, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employment plan. An OJT contract must be written for a specific occupation. For WIOA participants, the length of training must be at least 160 hours, but shall not exceed 1,000 hours, conducted over no more than 6 months of time, unless prior approval is obtained from the Chief Executive Officer. Other grants may allow shorter or longer training periods. The participant's training plan shall describe the timeline for completion of the training.

Procedure

PROCESS:

Participants may market themselves to employers as eligible for OJT, either by their own initiative, or with a referral provided to them. The contractor may also market their clients to employers. If interested in a potential contract, the employer is to contact the Adult or Dislocated Worker program representative at the appropriate workforce center.

A review of the employer will ensure that the employer has, or forecasts, sufficient work to provide long-term regular employment for the participant. An on-site visit will ensure that the employer has the necessary equipment, materials and supervision to conduct the training. Consideration will be given to the percentage of subsidized training positions assigned to a particular business/ company. This ratio shall not exceed 20% of the employer's workforce for employers with 10 or more employees. No more than one OJT position is allowed for an employer with less than 10 employees.

The employer will provide a job description of the occupation as performed in the company and a concise outline of the OJT to be given, tasks to be learned, and the approximate hours of training required for each task. Once this information is provided, the Adult or Dislocated Worker program operator will determine the length of the training period and the hourly wage that will be covered by the OJT contract.

If the employer is agreeable to the length of training and the covered wage, then an OJT contract will be prepared. The contract will be in the standard format issued by the SVWDB. This contract must be signed by both parties and in place prior to the start of on-the-job training for any individual. After the contract is prepared, it will be taken to the employer for their signature. After the employer has signed the contract, the appropriate WIOA service provider contractor representative will sign. A copy of the signed contract will be provided to the employer. The original contract will be maintained by the issuing agency.

The employer will submit an OJT monthly progress report and invoice to the appropriate agency for review and approval. The invoice shall be based on hours worked and wages actually paid by the employer. Once the invoice is reviewed and approved by the contractor representative, that agency will then reimburse the employer for training cost. Invoices are designed to allow for flexibility in billing for wages paid for pay periods which may vary by employer and bridge calendar months.

All OJT worksites shall be open to review and inspection by local, state, and federal monitors. Program Operators will notify OJT employers of this requirement at the time of, or before, the OJT contract is put in place.

Exceptions

Exceptions to these policies must be submitted to the SVWDB Chief Executive Officer for approval in advance of entering into any contractual agreement with an employer. Any exception must be requested in writing and contain detailed justification for the exception being requested.

Revisions:

July 11, 2019