

POLICY

TITLE:	On-The-Job Training	PROGRAM:	Adult/DLW/Youth
EFFECTIVE DATE:	9/15/2011	REVISIONS:	1/01/2018

On-The-Job Training

1. The term “On-The-Job Training” (OJT) means:
 - a. training that is provided to a paid trainee while engaged in productive work in a job;
 - 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 50% of the wages paid to the trainee during the training period for the extraordinary costs involved in providing the training and additional supervision related to the training.
 - d. limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant.

2. OJT contracts may be written for eligible trainees when:
 - a. the OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that required additional skills, workplace literacy or other appropriate purposes identified by the WDB; and
 - b. the OJT meets the identified training needs of the trainee, according to an individual employment plan.

3. Eligible employers:
 - a. may be in the public, private non-profit, or private sector;
 - b. must have the personnel to provide adequate supervision and training;
 - c. must describe the skills to be learned as part of the OJT contract;
 - d. must compensate trainees in on-the-job training at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience and skills. Such rates must be in accordance with applicable law, but may not be less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law;
 - e. 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;
 - f. must not have a history or pattern of failing to provide OJT trainees with continued long-term employment with wages, benefits and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work;
 - g. 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;

- h. must not use OJT assignments to displace regular employees, or to replace any employee on layoff;
- i. must have Organized Labor concurrence if applicable;
- j. must maintain workers compensation insurance and provide a Certificate of Insurance issued by the company's insurance carrier;
- k. agrees the OJT contract is limited to the period of time needed for participant to become proficient in the occupation for which the training is provided; and
- l. must provide a Federal Employer Identification number to demonstrate the business is a legitimate employer with full-time employees and conducting trade or business at an appropriate worksite.

4. Payments to employers:

- a. are deemed to be compensation for the extraordinary training costs associated with providing training including additional supervision and the costs associated with the lower productivity of the trainees, and those extraordinary costs need not be documented by the employer; and

Note: Employers are not required to document direct or indirect costs associated with OJT.

- b. must not be in excess of 50% of the wages paid to the OJT trainee during the training period. Employer reimbursement may be increased to 75% of the participant's wage rate after taking into consideration the following factors:
 - whether the OJT contract is leading to employment opportunities for individuals with barriers to employment;
 - the size of the employer, with an emphasis on serving small business;
 - the quality of employer-provided training and advancement opportunities for OJT participants; and
 - other factors such as training for in demand occupations, training resulting in an industry recognized credential, number of employees the company has participating in OJT, before and after wage and benefit levels of employees, and the predicted impact of OJT on the participant's competitiveness in the workplace.

Note: Prior written approval to utilize the 75% reimbursement is required from the WDB Executive Director.

5. OJT Contracts for Employed Workers:

An OJT contract may support a worker who is already employed provided that the conditions listed below are met.

- a. the employer is not earning a self-sufficient wage as determined by WDB policy.
- b. the OJT relates to introduction of new technologies, new production or service procedures, or a new job that requires additional literacy and numeracy or occupational and technical skills.
- c. the OJT is provided through a contract with an employer or registered apprenticeship program sponsor.

Note: Prior written approval to enter into this type of OJT contract is required from the WDB Executive Director.

6. OJT Contracts for Registered Apprentices:

An OJT, and reimbursement of a percentage of participant wages, may be entered into with the entity providing the OJT component of a registered apprenticeship program. Generally, this is the employer of the registered apprentice, but the entity providing the OJT component of a registered apprenticeship may also be a union or an intermediary. Registered apprenticeships consist of two components: OJT and related instruction. Related instruction may be classroom based, on line, or a hybrid of the two. OJT contracts only apply and can only be used to fiscally support reimbursement of a percentage of the apprentice's wages to the registered apprenticeship sponsor. However, a WIOA funded Individual Training Account (ITA) may be used to support the related instruction component of a registered apprenticeship. There is no federal prohibition on using both WIOA Individual Training Account (ITA) and OJT funds when supporting a WIOA participant in a registered apprenticeship registered apprenticeship programs. ITA funds can be used to support apprenticeship related instruction, and OJT funds can support a percentage of a participant's wages.

Note: Prior written approval to enter into this type of OJT contract is required from the WDB Executive Director.

7. Employer Required Work Related Items:

The cost of any work related item(s) required by the employer as a condition of employment and not provided by nor reimbursed by the employer is allowable to be paid for the OJT participant under the OJT contract agreement. The specific item(s) must be listed in the OJT contract. The projected cost and how payment will be made must also be listed. Documentation from the employer listing the required item(s) and a statement indicating that the item(s) must be provided by the employees as a condition of employment must be included in the OJT contract. Some examples of work related item(s) may be steel toe boots, work tools, etc.

8. Duration:

An OJT contract must be limited to the period of time required for a trainee 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 occupation skill level of the trainee, prior work experience and the trainees individual employment plan. The specific Job Zone from the Occupational Information Network (O*NET) occupation code must be used in determining the appropriate length of On-The-Job Training. The length of the On-The-Job training assignments must be at least 30 days but not exceed six (6) months unless approval has been obtained by the WDB Executive Director. The training plan shall describe a timeline for completion of the training.

9. Worksite Monitoring:

All OJT worksites must be open for review by local, state or federal monitors. Program Operators must notify OJT employers of this requirement before the OJT contract is completed.

10. Consumer Reports:

All OJT performance information, along with the other relevant information, must be made available to the New River/Mount Rogers Workforce Development Board upon request.