

On-the-Job Training (OJT) is a federally funded program through the Department of Labor Employment and Training Workforce Innovation and Opportunity Act (WIOA) and TechHire Grant.

The term “on-the-job training” refers to training provided by a business to an **eligible** client while engaged in work that:

- provides knowledge and/or skills essential to perform duties as assigned;
- meets the minimum wage rate requirement: full-time \$12.00 WIOA, or \$10.00 for WIOA Youth;
- provides reimbursement to the employer from 50% up to 75% of the wage rate of the client for the extraordinary costs of providing the training and additional supervision related to the training; dependent on the program providing the OJT; and
- is limited in duration as appropriate to the occupation for which the client is being trained, taking into account the content of the training, skill requirements of the occupation, academic and other components relating to the occupation and client.

On-the-Job Training is employer-supervised training in the public, private non-profit, or private for-profit sector and is provided for program clients. OJT is a training strategy that the workforce system can offer local businesses and job seekers. It allows unemployed or under-employed adult, dislocated workers, and youth the opportunity to work and earn wages while receiving training when they have no to very minimal work experience in that position.

The training occurs when the client is hired and the training is carefully structured to provide specific knowledge and skills needed for satisfactory job performance. OJT is an excellent opportunity for individuals to build their skills and re-establish themselves in **new fields**. It also provides an incentive to businesses to hire individuals, who **otherwise will not be considered for the position due to limited skill sets**, and invest in their skill development.

If you:

- are interested in hiring one of our clients for an open position, **or**
- if you have found a potential new hire,

you must call me to discuss this candidate **before** a job offer is made to ensure wage reimbursement benefits.

Once we verify the candidate is OJT eligible, an ***intent to hire offer*** may be extended to the candidate **contingent** on the official approval of the OJT.

If you have any questions regarding the program, I would be happy to discuss them with you at any time.

Sincerely,

Business Solutions Representative

P:

E:

Below are the stipulations contained in the W-O-W Workforce Development Board policies relating to employers areas of concern when participating in an OJT.

- The company extends a job offer and hires the client only after eligibility and appropriateness of OJT is determined.
- OJT eligible clients are to receive actual training in a definable set of skills which they do not already possess.
- OJT is for full-time employment with a minimum of 32 hours per weeks.
- Benefits per company policy, other than those required by law, which have a monetary value (i.e. insurance, paid leave, profit sharing), must be identified to client.
- The job trained for will have transferable skills and is not seasonal or temporary.
- The employer is able to provide training, supervision, tools, etc.
- The company agrees to pay the client at the same rate, including periodic increases not related to individual performance, as other employees or trainees doing similar work, and never less than the state or federal wage whichever is greater.
- DOL has an expectation that safeguards are in place to protect OJT funds from potential employer abuses. Abuses could take the form of employers not screening appropriately and using the OJT as a screening tool as there is little financial impact to the employer with the 50 - 75% wage reimbursement.

After two (2) or more OJT contracts, an employer will be ineligible for additional contracts if, within the past two (2) years, he/she has:

- Not provided long-term employment for OJT client at least 13 weeks after wage reimbursement ended and client was exited from WIOA and/or TechHire programs; or
- Not maintained hourly wage rates equal to or higher than the OJT contracted wage for employees after completion of their OJT; or
- Terminated a client without just cause.

An employer who is determined ineligible will remain so for up to one year from the date on which the latest OJT client was terminated without just cause. In addition, early termination on the second contract will result in a 25% reimbursement rate reduction from the original reimbursement percent for hours worked.

- An employer must abide by the conditions of the Employer Training Contract. A contract will be terminated if an employer is found to be in violation.
- Where a union bargaining agreement exists and is applicable to the position of the trainee, the Employer Training Contract for OJT must not conflict with that agreement. The employer must obtain written concurrence of the bargaining unit. A signed Union Concurrence form must be submitted with the Employer Training Contract Proposal in order for the contract to be reviewed for approval.
- An OJT contract with a temporary employment agency is not allowed. An OJT may be utilized with an employer who used a temporary agency but will hire the temporary client into regular employment if identifiable skill upgrading will occur in the permanent position. It must be made clear to the temporary employment agency that the permanent employer will be the OJT contract holder and is the entity to be reimbursed for the costs of training.

