



On-the-Job Training (OJT) Policy

September 30, 2022

PURPOSE

The purpose of this policy is to provide direction for the implementation and documentation requirements of Workforce Innovation and Opportunity Act (WIOA) Title I-funded on-the-job training (OJT) placements.

OJT is a hire-first program. The employee begins their OJT as a full-time employee of the company that has agreed to provide the onsite training and long-term employment upon completion of the OJT. The rate of pay, fringe benefits, periodic pay increases, and working conditions offered to the employee are the same as similarly situated employees in similar positions by the same employer and are in accordance with Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29.U.S.C. 206(a)(a) or the applicable state or local minimum wage laws.

While most OJTs occur when an individual is newly hired to a company, an OJT may be written for an employed worker when:

- The employee is enrolled in a WIOA Title I program and meets the eligibility criteria for an OJT as outlined in this policy, and
- The employee is not earning a self-sufficient wage, defined as having family income equal to or exceeding 80% of median family income based on the U.S. Dept. of Housing and Urban Development (HUD) Median Family Income Guideline, or
- The employee is not earning wages comparable to or higher than wages from previous employment, or
- The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, or workplace literacy, and all other requirements of 20 CFR 680.700 and this policy are met

BACKGROUND

On-the-job training (OJT) is a workplace training opportunity for eligible employers to teach qualified fulltime employees' specific knowledge or skills essential to the full and adequate performance of a new job. In an OJT program, the business is generally the entity providing the training which helps to ensure all training is relevant to the job into which the employee is placed. In some instances, however, the employer offering the OJT may require the employee to receive additional specialized training if the position requires it. In such instances, the employer may hire an outside trainer. OJT opportunities are formed through a contractual agreement between the employer and a WIOA Title I service provider who reimburses the employer up to 50 percent of the wage rate of an eligible employee for the extraordinary costs of providing the training and the supervision related to the training. Employers are not required to document such extraordinary costs. The contractual agreement will also specify the duration of training and the competencies to be learned during the OJT.

POLICY

On-the-job training must be provided through a contract that provides a structured training opportunity for the new employee to gain the knowledge and skills to be competent in the job for which they are hired. The contract must be completed and signed by all parties before the employee may begin the OJT training. OJT contracts must include language on the implementation and adherence to the minimum wage act. OJT may be sequenced with other WIOA Title I program services such as work experience, classroom training or basic skills training.

A. Employee Eligibility

Employees eligible for OJT opportunities must first meet specific WIOA Title I program eligibility requirements and be enrolled in the WIOA Title I Adult, Dislocated Worker, or Youth (Young Adult) formula funded programs. Individuals enrolled in the WIOA Title I programs must receive a documented assessment that results in the development of an Individual Service Strategy (ISS-Youth program) or Individual Employment Plan (IEP-Adult and Dislocated Worker programs) that documents the individual has the interest, aptitude, and skills necessary to meet the specific employer OJT requirements.

Employees must need training that is above and beyond standard new hire on-boarding or orientations that require a very brief initial introduction. Jobs that pay by commission or piecework are not eligible for OJT, as are seasonal, temporary, and part-time jobs because the intent of an OJT is for permanent, full-time, and self-sufficient employment. Jobs that include religious or political activities are likewise ineligible.

B. Employer Eligibility

Business Services Team will ensure businesses meet the following WIOA Title I criteria for OJT opportunities:

- Are licensed to operate in the State of New Jersey and provide their Federal Employer Identification Number (FEIN).
- Have adequate staffing for the training and supervision of the OJT.
- Are financially solvent to meet the OJT contract obligations through the end of the training.
- Have adequate payroll record keeping systems that track hours worked, gross pay, deductions, and net pay.
- Shall not displace any currently employed worker, or alter current workers' promotional opportunities, nor have terminated any regular employee, or otherwise reduced the workforce for the purpose of hiring an employee for OJT reimbursement purposes.
- Must not illegally discriminate in training or hiring practices because of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, sex stereotyping, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, or political affiliation or belief, or, against any beneficiary of, applicant to, or participant in programs financially assisted under Title I of the Workforce Innovation and Opportunity Act, on the basis of the individual's citizenship status or participation in any WIOA Title I-financially assisted program or activity.
- Must not have a previous pattern of failing to provide individuals who have received on-the-job training with long-term employment upon completion of the OJT. In evaluating employer performance for OJT re-contracting purposes, the following criteria should be considered:
 - Number of OJT positions previously funded
 - OJT turnover rate
 - Decrease in wages after training
 - Retention rate after conclusion of OJT
 - Identification of poor or incomplete training
 - Grievances

Only businesses with a history of successful training and retention of OJT employees should be used as repeat OJT sites. Employers that use OJT to subsidize short-term "revolving door" positions should be decertified as OJT sites

C. Conflict of Interest

No grantee, contractor, or sub-recipient will engage in any conflict of interest, real, implied, or apparent, in the selection, award or administration of a WIOA Title I funded contract or grant. OJT contracting must be conducted by training professionals and employers in a manner that is objective and independent of personal interests. A business or organization represented on the Cumberland Salem Cape May County Workforce Development Board (WDB) may employ OJT workers if the same standards for selecting OJT employers who are not members of the WDB are applied, and the WDB member does not participate in the process to select OJT employers.

D. Employer Reimbursement

The employer's training reimbursement payment is based on a predetermined number of training hours and limited to the gross wages paid to the employee for hours worked during the training period. Employers are eligible to receive between a minimum of 50 percent reimbursement of employee regular wages earned during the on-the-job training.

OJT reimbursements may only be for regular wages paid by the employer for the time the employee is engaged in on-the-job training. WIOA Title I does not authorize the reimbursement of wages that include overtime, shift differential, premium pay, and other non-regular wages. This does not preclude an employee from working overtime or earning other non-regular wages; the reimbursement to the employer must be based solely on the regular wage rate. And, although some trainees may be paid by the employer for holidays, vacation, and/or sick leave, the WIOA Title I service provider may not reimburse the employer for this time. Because the reimbursement is for wages earned while in training, WIOA funds cannot be paid for time not spent in training. Proper reimbursement for an employee who is paid on an hourly basis, can be calculated by simply deducting the holiday, vacation, and sick leave hours from the training schedule.

E. The OJT Contract and Training Plan

Following the verification of employer eligibility, the WIOA Title I service provider and employer will enter into a contractual agreement that includes, at a minimum, the requirements of WIOA Title I, the federal fair labor standard act and the state and local minimum wage act, the OJT reimbursement rate, and a training plan that includes the occupation, skills, competencies to be learned, the length of time the training will be provided. The training plan must be collaboratively developed by the employer, the employee, and the WIOA Title I service provider. The training plan is unique and customized for each OJT trainee and provides structure and context to ensure thorough and comprehensive training. The training plan should include a comprehensive job description where the tasks and requisite skill requirements that the employee must perform is derived. The training plan is useful for determining if contract services are being delivered.

Supplemental training in addition to the work-based on-the-job training may be provided to employees when the supplemental training is required for full competency in the new job. OJT contracts may be modified and must be in writing, signed and dated by all parties prior to the effective date of the modification. Verbal modifications are not valid.

F. Funding Limits and Duration of OJT

WDB limits the funding amount to \$6,000.00 or duration of OJT. WIOA Title I service providers have discretion to award OJTs in accordance with the individual's training needs, the provider's internal policies, budget limitations, and WDB On-the-Job Training policy. Service providers must ensure equitable treatment in the provision of OJTs. The duration of an OJT is based on the skillset of the employee at the time of hire, the skills to be acquired during the OJT, and the learning needs of each individual. When establishing the duration of the OJT, service providers should reference the Specific Vocation Preparation (SVP) for guidance on the amount of time required by a typical worker to learn the techniques, acquire the information, and develop the necessary skills for average performance in a specific position.

G. Onsite Monitoring and Progress Reports

WIOA Title I service providers must conduct onsite monitoring of the OJT to ensure the employee is working in safe and healthy conditions and ensure contracted training is being provided. Onsite monitoring should occur shortly after the OJT begins with additional visits scheduled at appropriate intervals determined by the length of training. Ongoing monitoring should include information received directly from the employee and should capture the employee and supervisor's perspective about how the training is progressing. Service providers must also regularly review the employee's progress in meeting the OJT objectives including obtaining progress reports from the employer that, when applicable, may be recorded as a Measurable Skill Gain (MSG).

Service providers must review the employer's OJT reimbursement invoices to ensure required documentation is submitted to support the reimbursement request. Any deviations from the OJT Contract should be dealt with and documented promptly.

Monitoring at the local level will include a review of the WIOA Title I service provider's oversight of the employee's on-the-job training and corresponding employer payroll records.

H. Documentation Requirements

- Assessment results identifying an OJT as an appropriate service
- Completed Individual Service Strategy (ISS) or Individual Employment Plan (IEP) and documented in case notes recorded
- Employer OJT Eligibility Agreement
- OJT Contract
- OJT job description, if not included in the OJT Contract
- Employee OJT evaluations/progress reports, may include Measurable Skill Gains (MSGs), when applicable
- Employer's OJT reimbursement invoice and supporting documentation
- Applicable case notes