



Technical College System of Georgia Office of WorkForce Development On-the-Job Training (OJT) Resource Guide

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1 | Summary

OJT allows for training that is provided by an employer in the public, private non-profit, or private sector to a paid WIOA participant while engaged in productive work in a job that:

- Provides knowledge or skills essential to the full and adequate performance of the job;
- Provides reimbursement to the employer for the wage rate of the participant for the extraordinary costs of providing the training and additional supervision related to the training; and
- Is limited in duration as appropriate to the occupation for which the participant is being trained, thus taking into account the content of the training, the prior work experience of the participant, and the OJT training plan and/or service strategy of the participant.

The training allows employers to teach new employees the skills necessary to perform a job adequately while reimbursing them for the loss of productivity during the training period. OJT can support large scale hiring while ensuring that a company is able to train their employees correctly. During the training period, an employer can be reimbursed for up to 50% of the wages of the participant for up to the first 1040 hours of employment. OJT contracts may also be applied to employers who participate in Registered Apprenticeships. In limited circumstances, the reimbursement may be up to 75% of the wage rate of the participant. In order for this to happen in the State of Georgia, the employer must meet one of the four following criteria”

- The employer must be a small business as defined by the Small Business Administration.
- The OJT must lead to the participant’s attainment of an industry recognized credential
- The participant must be determined to be an individual “with barriers to employment” as listed in WIOA § 3 (24), to include individuals who are long-term unemployed.
- The participant’s job title must be on the state’s in-demand occupations list.

OJT services are available to underemployed and unemployed adults and dislocated workers who have met the WIOA eligibility requirements and are suitable for training services in order to obtain or retain employment that leads to self-sufficiency. The participant must be hired by the employer at the start of the training period. For individuals to be eligible, there must be a gap between the skills they possess and the skills that the job requires. The difficulty of the job and the skills gap determine how long the paid training period will last. Consideration will be given to the skill requirements of the occupation, academic skill level of the participant, prior work experience, and the participant’s Individual Employment Plan (IEP).

2 | Adult and Dislocated Worker Eligibility

To be eligible to receive WIOA services as an adult, an individual must:

- Be 18 years of age or older;
- Be a citizen or noncitizen authorized to work in the United States;
- Meet Military Selective Service registration requirements (males who are 18 or older and born on or after January 1, 1960, unless an exception is justified); and
- Be unemployed or underemployed
 - Individuals who are underemployed include persons who are employed less than full-time and are seeking full-time employment; are employed in a position not commensurate with the individual's demonstrated level of educational attainment and skills; are working full time and meet the definition of low income, according to LWDB policies; or are employed, but whose current job earnings are not sufficient compared to their previous earnings (defined as 85% or less of the salary that was paid by a previous employer).

To be eligible to receive WIOA services as a dislocated worker, an individual must meet the first three adult requirements listed above and also:

- Have been terminated or laid off through no fault of their own; be eligible for or exhausted unemployment compensation; and be unlikely to return to a previous industry or occupation.

OR

- Be a separating service member from the Armed Services; be a spouse of an active duty service member who has been dislocated due to relocation or whose family income has significantly reduced because of certain service related incidents; or be a displaced homemaker.

3 | Frequently Asked Questions

1. What are the benefits to an employer?

- Employers gain access to a pool of pre-screened applicants for their position and are able to decide who to hire.
- This is a great opportunity to bring on employees that are eager to learn new skills and up-skill your workforce.
- The company will be reimbursed for the costs associated with training this new employee, which are usually calculated at up to half the pay rate for the agreed-upon training period.
- Employers will be assisted by WorkSource staff through all phases of the OJT.

2. Are there any restrictions?

Yes, there are. For example-

- An employer cannot use OJT funded participants to replace employees laid off within six months prior to the date of your application.
- An employer must agree to hire any OJT participants as regular, full-time employees.
- The rate of pay and benefits must be commensurate with what you pay others doing similar work.
- Employers are not eligible if they have previously received payments under WIOA or WIA and failed to provide OJT participants with long-term employment as regular employees with wages and benefits at the same level of those with similar working length and the same type of work.

These restrictions reflect federally mandated restrictions for the employer. Local WDB may develop additional restrictions should they see fit.

3. What are the requirements for OJT contracts?

- Prior to the start of employment, the participant must be deemed eligible for WIOA services. At the start of employment, the employee must not be earning a self-sufficient wage or wages comparable to or higher than wages from previous employment.
- The OJT must relate to the introduction of new technologies relevant to the job at hand, new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the local WDB.

3 | Frequently Asked Questions

4. Are there wage caps on OJT contracts?

Outside of 3 NEG initiatives, USDOL has not established OJT wage caps. These initiatives include the 2013 Dislocated Worker Training NEG, the 2014 Job Driven NEG, and the 2015 Sector Partnership NEG. The only limitation on OJT is the reimbursement rate of 50-75%.

5. Can companies rehire one of their previously released (laid off) employees?

Yes, a business can re-hire a previous employee but it must be for a different position for which they would need training and the candidate must be deemed WIOA eligible.

6. Can OJT funds be used in conjunction with a Registered Apprenticeship Program?

Yes. An OJT contract may be made with a Registered Apprenticeship Program for training participants. Local WIOA funds are encouraged to be used in support of these programs.

7. Who selects the OJT participants?

The company participating in the OJT will determine the selection criteria for OJT participants. Then, the LWDA will identify those participants who meet the criteria and will refer them to the employer. The employer will decide the final selection of OJT participants.

8. What if an employer has already selected a candidate for OJT training?

If an employer has already selected a candidate AND the candidate is approved by LWDA staff as an eligible WIOA participant, the LWDA can set up an OJT with the employer candidate.

9. May funds provided to employers for OJT be used to assist, promote, or deter union organizing?

No. WIOA funds provided to employers for work-based training, such as OJT, must not be used to directly or indirectly assist, promote, or deter union organizing.

10. How does OJT differ from Incumbent Worker Training (IWT)?

One difference between OJT and IWT is that participation in OJT is intended to be for new employees who have been deemed eligible for WIOA services whereas IWT is primarily aimed at pre-existing employees. Another primary difference between the two is that in OJT, reimbursements are given to employers based on the employee's wages while IWT provides reimbursements to the employer's training costs.

3 | Frequently Asked Questions

11. How does OJT differ from Customized Training (CT)?

OJT and CT are both intended for new employees who are deemed WIOA eligible. However, OJT may be used to reimburse wages while CT may be used to reimburse training costs. Eligible training costs will be determined and agreed upon by the LWDA and the employer. CT may also take place in either a classroom setting or on the worksite.

12. Can you use OJT and CT together?

OJT and CT may be used consecutively, but not concurrently, as two separate training and funding methods as part of a single training program. The LWDA will work with the employer to establish the training plan and ensure that the total length of training is reasonable according to the occupation's special vocational preparation (SVP) code.

13. Can you use an ITA and OJT together?

ITA and OJT may be used together if the trainee is enrolled in a Registered Apprenticeship.

14. Which companies are eligible for OJT?

Companies or Registered Apprenticeship program sponsors that fall into the public, private non-profit, or private sectors are eligible for OJT.

15. Which entities are not eligible for OJT?

Contracts are not to be made with employers that have not provided OJT participants with continued long-term employment with regular wages, benefits, and working conditions. Employers who are already receiving training funds from the Georgia State government are also ineligible unless they do not duplicate the already present training efforts.

16. How are employers reimbursed for approved training expenses?

The LWDA will provide the employer with the required forms to complete for expense reimbursements. Employers should submit the reimbursement requests after the completion of training.

17. What information will the employer need to maintain for the Training Program Assessment?

The employer should keep records of application and other relevant financial records, wage and benefit levels of participating employees, as well as the benefits of the training activities. This information will be used to show how the training has had an effect on employee retention, wage/benefit increases, and efficiency.

References

1. WIOA Regulations at 20 CFR parts 650 and 680 – Adult and Dislocated Worker Activities Under Title I of the Workforce Innovation and Opportunity Act
2. [TEGL No. 19-16](#), “Guidance on Services provided through the Adult and Dislocated Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser Act Employment Service (ES), as amended by title III of WIOA, and for Implementation of the WIOA Final Rules,” dated March 1, 2017
3. Technical College System of Georgia, Office of Workforce of Development. Policies and Procedures. 3.4.1.2

WIOA Regulations at 20 CFR Part 680

§ 20 CFR 680.700 - What are the requirements for on-the-job training?

- a. OJT is defined at WIOA sec. 3(44). OJT is provided under a contract with an employer or registered apprenticeship program sponsor in the public, private non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIOA participant in exchange for the reimbursement, typically up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and supervision related to the training. In limited circumstances, as provided in WIOA sec. 134(c)(3)(h) and § 680.730, the reimbursement may be up to 75 percent of the wage rate of the participant.
- b. OJT contracts under WIOA title I, must not be entered into with an employer who has received payments under previous contracts under WIOA or WIA if the employer has exhibited a pattern of failing to provide OJT participants with continued long-term employment as regular employees with wages and employment benefits (including health benefits) and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.
- c. An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant’s IEP.

§ 20 CFR 680.710 - What are the requirements for on-the-job training contracts for employed workers?

OJT contracts may be written for eligible employed workers when:

- a. The employee is not earning a self-sufficient wage or wages comparable to or higher than wages from previous employment, as determined by Local WDB policy;

References

- b. The requirements in § 680.700 are met; and
- c. The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the Local WDB.

§ 20 CFR 680.720 - What conditions govern on-the-job training payments to employers?

- a. OJT payments to employers are deemed to be compensation for the extraordinary costs associated with training participants and potentially lower productivity of the participants while in the OJT.
- b. Employers may be reimbursed up to 50 percent of the wage rate of an OJT participant, and up to 75 percent using the criteria in § 680.730, for the extraordinary costs of providing the training and additional supervision related to the OJT.
- c. Employers are not required to document such extraordinary costs.

§ 20 CFR 680.730 - Under what conditions may a Governor or Local Workforce Development Board raise the on-the-job training reimbursement rate up to 75 percent of the wage rate?

- a. The Governor may increase the reimbursement rate for OJT contracts funded through the statewide employment and training activities described in § 682.210 of this chapter up to 75 percent, and the Local WDB also may increase the reimbursement rate for OJT contracts described in § 680.320(a)(1) up to 75 percent, when taking into account the following factors:
 - 1. The characteristics of the participants taking into consideration whether they are “individuals with barriers to employment,” as defined in WIOA sec. 3(24);
 - 2. The size of the employer, with an emphasis on small businesses;
 - 3. The quality of employer-provided training and advancement opportunities, for example if the OJT contract is for an in-demand occupation and will lead to an industry-recognized credential; and
 - 4. Other factors the Governor or Local WDB may determine to be appropriate, which may include the number of employees participating, wage and benefit levels of the employees (both at present and after completion), and relation of the training to the competitiveness of the participant.
- b. Governors or Local WDBs must document the factors used when deciding to increase the wage reimbursement levels above 50 percent up to 75 percent.

§ 20 CFR 680.740 - How can on-the-job training funds be used to support placing participants into a registered apprenticeship program?

- a. OJT contracts may be entered into with registered apprenticeship program sponsors or participating employers in registered apprenticeship programs for the OJT portion of the registered apprenticeship program consistent with § 680.700. Depending on the length of the registered apprenticeship and State and local

References

OJT policies, these funds may cover some or all of the registered apprenticeship training.

- b. If the apprentice is unemployed at the time of participation, the OJT must be conducted as described in § 680.700. If the apprentice is employed at the time of participation, the OJT must be conducted as described in § 680.710.

§ 20 CFR 680.750 Can Individual Training Account and on-the-job training funds be combined to support placing participants into a registered apprenticeship program?

There is no Federal prohibition on using both ITA and OJT funds when placing participants into a registered apprenticeship program. See § 680.330 on using ITAs to support participants in registered apprenticeship.

§ 20 CFR 680.830 - May funds provided to employers for work-based training be used to assist, promote, or deter union organizing?

No. Funds provided to employers for work-based training, as described in this subpart, must not be used to directly or indirectly assist, promote, or deter union organizing.

TEGL 19-16 (PP. 14-15) https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3851)

TCSG Office of Workforce Development, Policy Manual (Section 3.4.1.3) <https://www.tcsg.edu/worksource/resources-for-practitioners/policies-guidance/>