



# **Technical College System of Georgia Office of WorkForce Development Incumbent Worker Training Resource Guide**

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## **| Table of Contents**

<b>Summary</b>	<b>2</b>
<b>IWT Calculations Tool</b>	<b>4</b>
<b>Frequently Asked Questions</b>	<b>6</b>

## **| References**

<b>WIOA Regulations at 20 CFR Part 680</b>	<b>14</b>
<b>TEGL 19-16</b>	<b>15</b>
<b>TCSG Office of Workforce Development Policy Manual</b>	<b>15</b>



# 1 | Summary

Incumbent Worker Training (IWT) is designed to improve the skills of employees and the competitiveness of an employer by offering support with the costs associated with upskilling the employer's workforce with the support of a Local Workforce Development Area (LWDA). The training will allow employers to retain and promote effective employees or to avert layoffs. In a scenario not related to layoff aversion, the IWT program will create the opportunity for an employee to receive an increase in pay and skill. In this scenario, it is strongly recommended that the employer will also create the opportunity to backfill the trainee's position with a new or existing employee. While encouraged, it is not required for the training to lead to an industry-recognized credential.

To participate in an IWT program under WIOA, an employee must have an established employment history with the employer of at least six months at the time of training. Workers employed less than six months can participate in the training if the majority of the IWT cohort meets the requirement.

Local areas may use up to twenty (20) percent of their local adult and dislocated worker funds for IWT. Depending on the size and scope of the project, a LWDA may request additional funding from TCSG's Office of Workforce Development. The LWDA pays for a portion of the training as a reimbursement to the company. Based on federal code and guidance, funding of training projects may be prioritized by LWDAs based on demand-driven regional sector strategies. This allows LWDAs to make funding determinations for employers that will have the greatest potential for impacting job growth and retention and regional economic competitiveness.

The minimum amount of employer share in the IWT depends on the size of the employer and may not be less than:

- 10 percent of the cost, for employers with 50 or fewer employees;
- 25 percent of the cost, for employers with between 51 to 100 employees; and
- 50 percent of the cost, for employers with more than 100 employees.

Employers are required to pay the non-Federal share of the cost of providing Incumbent Worker Training. This may be done through both cash payments and fairly evaluated in-kind contributions. The employer contribution may include the wages the employer pays to the incumbent worker trainee while the worker is attending training. Under section 134(d)(4)(D) of WIOA, in establishing the employer share of the cost, the Local WDB must consider:

- The characteristics of the individuals in the program (e.g. individuals with barriers to employment),
- training outcomes for the employer and employees,
- the number of employees participating in the training,
- the wage and benefit levels of the employees (at the beginning and anticipated upon completion of the training),
- the existence of other training opportunities provided by the employer,

# 1 | Summary

- credentials and skills gained as a result of the training,
- utilization as part of a larger sector and/or career pathway strategy, and/or
- employer size



## 2 | IWT Calculation Tool

As a way to assist LWDAs in determining training reimbursement amounts, the Office of Workforce Development has developed an IWT Calculation Tool. This tool offers an in-depth breakdown of each of the different training costs associated with IWT, whether or not they are eligible for reimbursement through WIOA, the total amount of eligible IWT reimbursement available to the project, and the amount the employer will need to contribute to cover their required contribution for the project. The IWT Calculation Tool also serves as a way to compare different drafts for training cost distribution between the LWDA and employer.

In addition, it is highly recommended that the LWDA include a completed copy of the tool as part of the IWT Employer Agreement to demonstrate how the WIOA reimbursement was calculated for the project.

Below is a basic walkthrough of how to properly utilize the tool:

1. Begin by entering the title of your program, number of participating employees, and the starting date of your training program. Also be sure to indicate which draft you are working on to make it easier to track different versions of the calculations as your conversations and negotiations with the employer progress.
2. Next, enter the anticipated training cost amounts that you would like WIOA and/or the employer to cover in their respective boxes under the “Training Costs” columns.
  - Note: if a cell under “WIOA Eligible” is greyed out, that category is ineligible for WIOA reimbursement.
3. After all costs have been entered, enter the total size of the employer in the “Employer Size” section. The Employer’s Non-Federal Share Percentage will adjust automatically based on what was entered. For assistance with determining the employer size, reference FAQ #22 below.
4. Once all contribution amounts for WIOA and the company have been input into the tool, be sure the “Total WIOA Eligible Costs” option is selected in the drop-down menu in row 25. Then, compare the amounts in the “Required Minimum Employer Contribution: (D)” box and the “Final Employer Contribution: (F)” box. If no red boxes appear on the tool, then the amounts displayed in the tool are sufficient for use in the IWT project. You can use the amount listed in the “Eligible IWT Reimbursement (E)” box as the amount for the IWT reimbursement in the project contract.
5. If you see the “Final Employer Contribution: (F)” box shaded red, that means the employer’s current contributions are not large enough to satisfy their required non-federal share to receive full WIOA coverage of all of the WIOA-eligible training costs. Therefore, the employer must try to identify other contributions that they can make to be added to their employer-covered training costs. If no other employer-covered



## 2 | IWT Calculation Tool

training costs can be identified, then select the “Maximum WIOA Allowable Costs” option in the drop-down menu in row 25, and the tool will provide the maximum amount of the training costs that may be covered by WIOA (in the “Eligible IWT Reimbursement (E)” box). The tool will also provide the portion of WIOA-eligible training costs that must be covered by the employer (in the “Employer’s Portion of WIOA Eligible Training Costs” box) and the total amount of the training costs that the employer will be covering (in the “Final Employer Contribution (F)” box).

6. The amount in the “Final Employer Contribution (F)” box will be the overall amount of expenditures that the employer will contribute to the project. The two amounts listed in the two rows above box (F) are subsets of the “Final Employer Contribution;” they **should not** be added to the amount in box (F).

The IWT Calculation tool can be found [here](#).

# 3 | Frequently Asked Questions

## 1) Do IWT participants have to meet WIOA eligibility requirements for adults and dislocated workers?

No. Participants in an IWT program do not need to meet eligibility requirements for career and training services for WIOA Adult or Dislocated Worker (the only exception would be if the trainee(s) is(are) being co-enrolled into other WIOA programs. At that point, all eligibility and documentation requirements must be collected and documented); the employer must meet the IWT requirements for receiving funding. See CFR 680.780.

However, IWT participants receiving the training must be:

- Employed;
- Meet the Fair Labor Standards Act (FLSA) requirements for an employer-employee relationship;
- Have an established employment history with the employer for 6 months or more. (Employment history may include time spent as a temporary or contract worker performing work for the employer receiving IWT funds);
- Must be at least 18 years of age;
- Must be a citizen of the United States or a non-citizen whose status permits employment in the United States; and,
- If trainee is male born on or after January 1, 1960, must have registered with the selective service system (exemptions for this registration are allowable).

There is one exception to the employment history requirement. That exception being, if incumbent worker training is being provided to a cohort of employees, the majority of the employees being trained must meet the employment history requirement.

## 2) Can new or recently-hired employees participate in IWT?

New employees may only participate in an IWT program if the majority of the training cohort meets the six-month employment requirement.

## 3) How does Incumbent Worker Training differ from Customized Training (CT)?

Incumbent Worker Training is designed for upskilling existing employees, while Customized Training may only be used for training new employees.

## 4) What kind of training can be funded under IWT?

Training can include, but is not limited to, industry or employer-specific work skills, basic job skills, technical computer skills, new manufacturing technologies, equipment operation training, changes in production processes, and skills such as leadership, teamwork, communication, conflict resolution, and management skills if the employer can document the need and effect of the training. Employers will determine and select

# 3 | Frequently Asked Questions

the types of training and training provider(s) that meet their training requirements before submitting an application for consideration.

## 5) What costs may be reimbursed under IWT?

Examples of allowable costs include:

- Training materials and supplies, including manuals
- Training tuition or registration fees
- Instructor/trainer wages (If not included in tuition)
- Materials and supplies
- Certification/Testing
- Off-site training space (e.g., classroom rental, etc.)
- Necessary computer software that is used 100% for training purposes only may also be considered for reimbursement

If the company training site/facility is located in an international location, companies will need to provide documentation prior to consideration of training site costs. All expenses must be reasonable, necessary and allowable and conform to the regulations found in the Uniform Administration Guidance.

## 6) What costs are included in the employer's share?

The non-Federal share provided by an employer may include costs incurred by the employer during training, such as (but not limited to):

- Wages paid by the employer while the worker is attending training
- Equipment purchased for training
- Curriculum development expenses
- Travel and lodging costs.

The LWDA should work collaboratively with the employer to identify training costs and determine which costs are eligible for reimbursement. The employer may provide the share in cash or in-kind, fairly evaluated. The employer non-Federal share must not be paid by the Federal government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs.

The employer will be required to calculate its estimated non-federal share as a part of the application for training funds and an actual share at the conclusion of the training. Should the non-federal share not meet the limits, the funds could potentially have to be repaid. Official payroll records, time and attendance records, invoices for equipment purchased, etc. must be utilized to determine the amount of the employer's share of cost.



## 3 | Frequently Asked Questions

Employer cost share contributions must be tracked and documented in the contract file and recorded on the Financial Status Report. In addition, the methodologies for determining the value of in-kind contributions must be documented in the contract file and conform to cost sharing requirements at 2 CFR 200. 306 and 2 CFR 2900.8.

### **7) What training costs cannot be reimbursed under IWT?**

IWT funds cannot be used to pay for a trainee's wages and benefits during the training, travel expenses, capital improvements, training equipment, administrative costs, catering of training events, and costs outside the agreement period (effective beginning and ending dates of the agreement). However, these types of training expenses, incurred within the approved agreement period, may be included as part of the "non-Federal employer share".

### **8) Where may the training take place?**

Training may be conducted at the employer's own facility, at a public or private training provider's facility, a WIOA program facility site, or at a combination of sites that best meets the needs of the employer.

### **9) Who selects the training provider?**

The employer selects the training provider that best suits the company's training needs. Trainers may be public or private professional trainers, equipment vendors, or subject matter experts.

### **10) Does the LWDA need to register the participant(s) in the WorkSource Georgia Portal, or is this dependent upon their eligibility?**

Yes, the participant needs to be entered into the WorkSource Georgia Portal, and there is a streamlined application just for IWTs. IWT participants are not required to meet eligibility requirements for career and training services for WIOA Adult or Dislocated worker. Instead, eligibility is tied to the employer being eligible to receive the services.

### **11) Are IWT participants included in a LWDA's performance accountability calculations?**

Due to the unique eligibility requirements (IWT participants are not required to meet eligibility requirements for career and training services for WIOA Adult or Dislocated worker), as stated by WIOA sec. 134, USDOL does not consider individuals who receive IWT to be participants for inclusion in the WIOA performance accountability calculations.

However, states and LWDBs are required to report outcomes of individuals who receive IWT on all primary indicators of performance, which includes 1) employed 2nd quarter after exit, 2) employed 4th quarter after exit, 3) median earnings, 4) measurable skills gains, and 5) credential attainment.

## 3 | Frequently Asked Questions

### 12) Can IWT funds be utilized to support a Registered Apprenticeship?

Yes. Incumbent Worker Training may be an appropriate WIOA business service to assist with covering the costs associated with a Registered Apprenticeship program.<sup>1</sup>

### 13) Does a Registered Apprenticeship program have to be on the ETPL for use with IWT?

No; a training provider is not required to be on the ETPL for use with IWT. However, if the employer is interested in potentially utilizing WIOA funds to support the RA program for On-the-Job Training or other services in the future, they would need to have the program placed on the ETPL. The process for doing so is outlined below.

First, USDOL must approve the program as officially recognized “Registered Apprenticeship.” Then the RA sponsor organization must complete the Registered Apprenticeship ETPL application and forward it the State ETPL Specialist. The ETPL application can be found at the following link: <https://www.tcsg.edu/worksource/resources-for-practitioners/eligible-training-providers-list/>

### 14) Does an apprenticeship program used in conjunction with IWT need to be registered with the “registry agency?”

The “registry agency” in the state of Georgia is the USDOL Office of Apprenticeship. While official registration with USDOL as a Registered Apprenticeship program is not required for use with IWT (it is required for other WIOA services), employees involved in IWT stand to benefit more if a program is officially registered and nationally recognized. Consequently, LWDBs are encouraged to consider the nature of the apprenticeship program, its status as a registered program with USDOL or not, and the quality and impact of the training on the participating employees when deciding whether to support an IWT program.

### 15) As a follow-up performance measure to a Registered Apprenticeship, is it required to request and receive a copy of the “Certificate of Completion of Apprenticeship” when the apprentice/participant completes the RA?

While IWT participants are not included in a LWDA’s overall performance accountability outcomes (as explained above), LWDA’s are still required to track and document performance outcomes for IWT participants. Therefore, if an apprentice involved in IWT training completes the RA program and receives a certificate of completion (which is a recognized credential), then yes, the LWDA should request a copy in order to properly document a positive outcome.

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<sup>1</sup> WIOA Final Rule Comments PP 56123, United States Department of Labor, Employment and Training Administration: [https://www.doleta.gov/wioa/Final\\_Rules\\_Resources.cfm](https://www.doleta.gov/wioa/Final_Rules_Resources.cfm)

### 3 | Frequently Asked Questions

#### **16) Which of the two training providers in a Registered Apprenticeship would need to be entered into the Online Participant Portal?**

The Related Technical Instruction (RTI) provider will be entered into the Online Participant Portal. There will be a section under the training provider where you can input the employer information.

#### **17) Can an employer utilize IWT to train workers employed through a temporary employment/staffing agency?**

No. Workers must have an employer/employee relationship as defined by the Fair Labor Standards Act<sup>2</sup> and have an established employment history with the employer for six months or more. (This may include time spent as a temporary or other contract worker for the employer.)

#### **18) Some of the workers in need of training have recently moved from the temporary agency payroll to full-time employment with the employer; are these workers eligible?**

In the event that IWT is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more as long as the majority of those employees being trained meets the employment history requirement.

#### **19) Which companies are eligible for IWT?**

IWT should be provided for private sector employers; however, non-profit and local government entities may be recipients of IWT funds if approved by the LWDB. Employers must be in operation at least twelve months, employ at least five full-time employees, and be financially viable and current on all state and federal tax obligations. Companies will be deemed ineligible if they have received payments under a previous WIOA contract and exhibited a pattern of failure to provide workers continued long-term employment as regular employees with wages and working conditions at the same level and to the same extent as similarly situated employees.

#### **20) Which entities are not eligible for IWT funding?**

- Employers currently receiving training funds, either directly or indirectly, from Georgia State government (unless those training funds do not duplicate the training efforts outlined in the IWT application);
- Training providers, unless it is to address the skills gaps of the training provider's incumbent workers; or,

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<sup>2</sup> Fact Sheet #13: Employment Relationship Under the Fair Labor Standards Act (FLSA), United States Department of Labor, Wage and Hour Division: <https://www.dol.gov/whd/regs/compliance/whdfs13.pdf>

# 3 | Frequently Asked Questions

- Workforce Development Boards or administrative entities.

## 21) Are agencies that receive funds from the federal government eligible for IWT funding?

Yes, however their contribution to the training costs must not come from their pool of federal dollars. Instead, their contribution must come from another source.

## 22) How is Employer Size Determined?

Employer size is based on the number of employees currently employed (at the time of the execution of the IWT contract) at the local operation where the IWT program will take place. This applies to all employers, including employers with seasonal or intermittent employee size fluctuations. Employers must provide documentation that indicates their organization's size.

## 23) How does an employer submit an application and become approved for an IWT Program?

Upon receipt of a completed Incumbent Worker Training Employer Application, the application will be reviewed to determine the employer's eligibility for IWT funding. More information may be requested from the employer to determine eligibility. Applications should be submitted at least 30 days prior to the start date of the desired Incumbent Worker Training. The application must be reviewed for eligibility and approved. Then, a contract for delivery of Incumbent Worker Training is drafted, approved and signed by all parties. This contract must be executed prior to the start date of the IWT. Funding cannot be provided for any costs for an Incumbent Worker Training program that starts before the contract for delivery of training has been executed.

## 24) What information is an employer required to submit on the employees to be trained?

WIOA requires the following information collected for each incumbent worker trainee:

- Name
- Contact information
- Social Security number
- DOB
- Citizenship/right to work status
- Selective Service compliance
- Participant characteristics.

A participant roster including occupation title, date of employment, actual training start and end date, completion of training, and credentials or certificates awarded is included

### 3 | Frequently Asked Questions

as part of the IWT contract. Documentation of the six-month employment requirement should also be submitted.

#### **25) 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. If training is conducted at a Technical College System of Georgia (TCSG) institution, the TCSG institution may direct bill the LWDA. WIOA Section 181 prohibits funding of foreign travel costs; therefore, travel for training should be included in employer match. Final expenses must be reported within thirty (30) days after training activities are complete or the agreement end date, whichever is the earliest end date of program activity.

#### **26) What information is required for reimbursement of expenditures covered in the agreement?**

Before an invoice can be paid, the following documentation must be received:

- Copy of paid employer or training provider invoice. The invoice should include the date(s) and type(s) of training provided.
- Copy of the check with which the invoice was paid or other documentation as evidence of payment.
- For each training program or session, a copy of the participant roster, which includes trainees' names, last four (4) digits of SSN, the date(s) and type(s) of training, completion and credentials/certificates awarded should be noted on each roster. In addition, this roster should include the signature of the trainer or employer certifying that the listed employees did participate in the training.
- Documentation of matching expenditures such as payroll registers, copies of paid travel costs, etc.

#### **27) What information will the employer need to maintain for the Training Program Assessment reviews?**

Once training begins, the employer should maintain adequate records of the costs associated with the training and benefits the training activities have provided to the employer and to the employees. This information will be used to document the impact the training has had on employee retention, wages, promotions, efficiency, etc.

#### **28) If an LWDA will be entering into a contract with a technical college to provide training, would the college complete the Contractor Affidavit or the Subcontractor Affidavit?**

If an LWDA will be paying the employer directly, then the employer would complete the Contractor Affidavit and the technical college would complete the Subcontractor

## 3 | Frequently Asked Questions

Affidavit. If the LWDA will be paying the technical college directly, then they will need to enter into a separate training contract directly with the technical college and would complete the IWT Employer Agreement with the employer without the affidavits included.

### **29) Can the Signatory Authority and the Negotiator's Authority be signed by the same entity?**

Yes, both documents can be notarized by the same party.





# References

1. WIOA Regulations at 20 CFR Part 680 – Adult and Dislocated Worker Activities Under Title I of the Workforce Innovation and Opportunity Act
2. [TEGL No. 19-16](#), 2) “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. 3.4.1.4.

## **WIOA Regulations at 20 CFR Part 680**

### **§ 680.780 - Who is an “incumbent worker” for purposes of statewide and local employment and training activities?**

States and local areas must establish policies and definitions to determine which workers, or groups of workers, are eligible for incumbent worker services. To qualify as an incumbent worker, the incumbent worker needs to be employed, meet the Fair Labor Standards Act requirements for an employer-employee relationship, and have an established employment history with the employer for 6 months or more, with the following exception: In the event that the incumbent worker training is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for 6 months or more as long as a majority of those employees being trained do meet the employment history requirement. An incumbent worker does not have to meet the eligibility requirements for career and training services for adults and dislocated workers under WIOA, unless they also are enrolled as a participant in the WIOA adult or dislocated worker program.

### **§680.790 - What is incumbent worker training?**

Incumbent worker training must satisfy the requirements in WIOA sec. 134(d)(4) and increase the competitiveness of the employee or employer. For purposes of WIOA sec. 134(d)(4)(B), incumbent worker training is training:

- a. Designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment.
- a. Conducted with a commitment by the employer to retain or avert the layoffs of the incumbent worker(s) trained.

### **§680.800 - What funds may be used for incumbent worker training?**

- a. The local area may reserve up to 20 percent of their combined total of adult and dislocated worker allocations for incumbent worker training as described in §680.790;

# References

- b. The State may use their statewide activities funds (per WIOA sec. 134(a)(3)(A)(i)) and Rapid Response funds for statewide incumbent worker training activities (see §§682.210(b) and 682.320(b)(4) of this chapter).

## **§ 680.810 - What criteria must be taken into account for an employer to be eligible to receive local incumbent worker training funds?**

The Local WDB must consider under WIOA sec. 134(d)(4)(A)(ii):

- a. The characteristics of the individuals in the program;
- b. The relationship of the training to the competitiveness of an individual and the employer; and
- c. Other factors the Local WDB determines appropriate, including number of employees trained, wages and benefits including post training increases, and the existence of other training opportunities provided by the employer.

## **§ 680.820 - Are there cost sharing requirements for local area incumbent worker training?**

Yes. Under WIOA secs. 134(d)(4)(C) and 134(d)(4)(D)(i)-(iii), employers participating in incumbent worker training are required to pay the non-Federal share of the cost of providing training to their incumbent workers. The amount of the non-Federal share depends upon the limits established under WIOA secs. 134(d)(4)(ii)(C) and (D).

TEGL 19-16 (PG. 15) [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=3851](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3851)

**TCSG Office of Workforce Development, Policy Manual (Section 3.4.1.4)** <https://www.tcsg.edu/worksource/resources-for-practitioners/policies-guidance/>