

## Technical Assistance Guidance

**TAG 16-2017**

Issued Date: **November 21, 2017**

Subject: On-the-Job Training Services for Employed Individuals

### **Purpose**

This TAG provides sub-recipients with a helpful tool to improve quality of service, effective management practices and ensure compliance with Federal, State and local regulations.

### **Background**

On-the-job training contracts may be provided for employed individuals provided they meet eligibility requirements described below.

### **References**

WIOA Section 134(c)(3)(A)

20 CFR §680.700

20 CFR §680.710

DETR-WISS SCP 1.14

Income Guidelines – Lower Living Standard Income Level (LLSIL) and Poverty Guidelines

WC Policy ADW-030-04

### **Guidance**

Consistent with section 134(c)(3)(A) of WIOA and codified in 20 CFR §680.710, on-the-job training services may be provided to an employed individual when the **employee is not earning a self-sufficient wage, or wages comparable to, or higher than, wages from previous employment.**

WC has defined a self-sufficient wage as:

1. Employment that provides the worker with a **combined household** wage, before deductions, that is equal to, or greater than, **150% of the established LLSIL for the past six months prior to the WIOA Title I enrollment; OR**
2. Employment that provides the worker an hourly wage that is **equal to 100% of the individual's highest wage from a prior employer.** Previous employment must have been within the **last five (5) years** from the WIOA enrollment. Support documentation, such as payroll records, **must** be provided.

Under 20 CFR §680.710 OJT contracts may be written for eligible employed workers when:

1. The established requirements for OJTs and the requirements of this policy are met;
2. The individual is not earning a self-sufficient wage as indicated above; and
3. The OJT relates to the introduction of new technologies, introduction of new production or service procedures, or reassignment to a new job within the company that requires additional skills, workplace literacy; and the OJT leads to a wage/benefits increase.

### **Example 1**

A participant is currently employed with an employer where they earn \$25 per hour. This participant is a family of one (1). They have been employed at this same employer for the past eighteen (18) months and have been working consistently forty (40) hours per week. Payroll records indicate that the total household earnings for the past six (6) months is \$26,000.

This individual **would not be eligible** to participate in an on-the-job training service because the previous six (6) month household income reported for this individual exceeds 150% of the LLSIL for a family of one (1).

### **Example 2**

A participant is currently employed with an employer where they earn \$10 per hour. This participant is a family of three (3). They have been employed at this same employer for the past four (4) months and have been working consistently forty (40) hours per week. The participant indicates that the spouse is working part-time and provides paystubs as verification. Payroll records indicate that the total household earnings for the past six (6) months is \$15,200.

This individual **would be eligible** to participate in an on-the-job training service because the previous six (6) month household income reported for this individual is under 150% of the LLSIL for a family of three (3).

### **Example 3**

A participant is currently employed with an employer where they earn \$18 per hour. During the initial assessment the participant reported that their hourly rate with a previous employer was \$22 per hour. The current employer has indicated that they are willing to promote this individual to a new position where they would earn \$23 per hour, however additional skills are required for this new position.

This individual **would be eligible** to participate in an on-the-job training service because the new position will provide a wage that is at least equal to 100% of their wages from previous employment.

### **Example 4**

A participant is currently employed with an employer where they earn \$20 per hour. During the initial assessment the participant reported that their hourly rate with a previous employer was \$18 per hour. The current employer has indicated that they are willing to promote this individual to a new position where they would earn \$24 per hour, however additional skills are required for this new position.

This individual **would not be eligible** to participate in an on-the-job training service because the current wage is at least 100% of their wages from prior employment **and** the previous six (6) month household income reported for this individual is over 150% of the LLSIL for their family size.

### **Example 5**

A participant is currently employed with ABC Company where they earn \$16 per hour. They have been offered a position with XYZ Enterprises at \$19 per hour where they will be required to learn new skills and technologies. The participant indicates during the initial assessment that they are a family of one (1) and that their total household income for the previous six (6) months earnings is \$16,640.

This individual **would not be eligible** to participate in an on-the-job training service because the previous six (6) month household income reported for this individual exceeds 150% of the LLSIL for a family of one (1).

### **Example 6**

A participant is currently employed with EFG Enterprises where they earn \$13 per hour. They have been offered a position with TUV Company at \$16 per hour where they will be required to learn new skills and technologies. The participant indicates during the initial assessment that they are a family of three (3) and that their total household income for the previous six (6) months earnings is \$18,200.

This individual **would be eligible** to participate in an on-the-job training service because the previous six (6) month household income reported for this individual is under 150% of the LLSIL for a family of three (3).

### **Action**

Please share this information with all WIOA Title I staff and other interested parties.

WC will continue to provide technical assistance to support the workforce system. For more information and/or updates, please contact your contract administrator at your earliest convenience.

### **Technical Assistance**

Available upon request.