

ON-THE-JOB TRAINING

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INTRODUCTION

On-the-Job Training provides funding to partially reimburse businesses for the costs of training a newly hired employee on the specialized skills necessary to perform his or her job effectively. Up to 75% of an eligible employee's base wage rate is reimbursable. Employers in the private non-profit or private sectors may qualify to participate in the OJT program.

DEFINITION

The term "On-the-Job Training" means training by an employer that is provided to a paid participant while engaged in productive work in a job that – (A) provides knowledge or skills essential to the full and adequate performance of the job; (B) is made available through a program that provides reimbursement to the employer of up to 75 percent of the wage rate of the participant [except as provided in section 134(c)(3)(H) of the Workforce Innovation and Opportunity Act], for the extraordinary cost of providing the training and additional supervision related to the training; and (C) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate. (*Section 3 (44) of WIOA*)

GENERAL REQUIREMENTS

OJT is provided under a contract with an eligible employer in the private non-profit or private sectors. The participant must be an employee during the OJT contract period and the employer must agree to the contract prior to the participant's start date. The intent of OJT is to provide full-time paid employment for the WIOA participant that leads to self-sufficiency according to the current self-sufficiency level as defined by the Local Workforce Development Board of Kane, Kendall and DeKalb Counties. OJT positions must be full-time as defined by the employer, but may be no less than 32 hours per week.

ELIGIBILITY

Employers located within Kane, Kendall or DeKalb County may train any individual enrolled in LWIA 5 WIOA services. Individuals enrolled in LWIA 5 may qualify for placements with employers throughout the broader Economic Development Region (EDR) 4 as defined by the State, as well as those counties contiguous to LWIA 5. This includes any employer within the counties of Boone, Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, La Salle, Lake, Lee, McHenry, Ogle, Will, and Winnebago. Please note that, while employers may identify and refer an individual for an OJT opportunity (known as a "reverse referral"), an assessment will be required to ensure that the individual is eligible.

Individuals enrolled in LWIA 5 (including Adult and Dislocated Workers, Youth) may qualify for OJT opportunities based on an assessment and identified career pathway. Employed individuals may also participate in OJT contracts when the employee is not earning a self-sufficient wage (as defined in the Wages section below) or is earning wages that are not comparable to, or more than, previous earnings. For employed individuals to qualify, the OJT must equip him or her with skills related to new technologies, production or service procedures, workplace literacy, or other skills upgrades. In determining the length of the OJT placement, consideration will 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 individual employment plan.

An employer must have been in operation for a minimum of one year. If the employer has similar positions currently on layoff or open due to a hiring freeze, the position is ineligible for OJT. Similarly, if the OJT will infringe upon the promotion of, or cause the displacement of currently employed workers or will reduce current employees' hours, then the position is ineligible. Employers may not terminate an employee with the intention of filling the vacancy with OJT participants. Business owners or direct supervisors may not be immediate family members of the participant.

Employers that have completed a relocation that resulted in an employee losing his or her job may not qualify for OJT until operating at the new site for 120 days. Employers that have entered in OJT contracts in under WIOA or WIA the past and have failed to provide participants with long-term, equitable employment are not eligible for future OJT contracts. A pre-award survey will be required as part of the application process to verify eligibility.

WAGES

Employers must pay participants the same wage paid to any entry level employee performing the same type of work. This includes full wages, benefits, holiday and all overtime costs. Independent contract positions or seasonal positions are not allowable under OJT. No position will be approved that does not meet the local area's definition for a minimum self-sufficient wage for a household of one. The maximum wage for OJT reimbursement shall not exceed the State wage cap as published by the Department of Labor Education and Training Administration ([TEGL 13-15 Attachment II](#)).

CONTRACTING

Kane County Office of Community Reinvestment (OCR) staff and authorized subrecipients are responsible for negotiating OJT contracts. Training may not commence until the employer has signed the OJT contract. OJT placements may not exceed 1040 hours, or approximately six months of employment. In determining the appropriate length of the training time for an OJT placement, 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 training time, SVP codes & corresponding training times within the Dictionary of Occupational Titles shall be used as a guide. The employer will also be required to assist in developing a Training Plan for the participant, which will be incorporated into the OJT contract.

REIMBURSEMENTS

The "standard" wage reimbursement rate for an OJT placement is 50% of the participant's approved base wage rate. The State of Illinois has the statutory authority to increase the wage reimbursement rate from 50% to up to 75% under WIOA when taking into account specific locally-approved factors, such as the size of the employer, the characteristics of the participant (i.e. individual with barriers to employment) requiring more intensive training, or the employer-provided training resulting in an industry-recognized credential. An OJT placement meeting the following priority criteria may qualify for higher reimbursement rate not to exceed 75% (or the maximum rate permitted under an approved State waiver) at the Director's approval when at least one of the following criteria is appropriately documented by OCR staff or authorized subrecipients:

- The employer is a small or mid-sized business (based on the U.S. Small Business Administration's definition) with less than 200 full-time employees (based on the total number of full-time employees at the location where the OJT will occur).
- The characteristics of the participant taking into consideration whether they are "individuals with barriers to employment" (as defined by State policy and verified through local assessment) thus, requiring more intensive training than individuals without barriers. Identified barriers may include, but are not limited to, an individual that: is an English language learner, is Basic Skills Deficient, has a disability, is an ex-offender, or is homeless.
- The quality of employer-provided training and advancement opportunities.
- The proposed training will result in the attainment of an industry-recognized credential.

Please note that overtime is not eligible for reimbursement through the OJT program. Reimbursements under contracts for eligible participants who are referred by the employer (a "reverse referral") will not be processed until the participant has retained the position for a minimum of 90 days.

EMPLOYER COMMITMENT

The employer will be required to assist in developing a Training Plan for the participant as part of the contract process, submit regular invoices, and report on Training Plan progress in order to receive reimbursements over the course of the program. Employers must also:

- Carry and provide proof of Worker' Compensation insurance
- Provide an employer FEIN (Federal Employer Identification Number)
- Agree to all Assurances/Certifications/Warranties
- Sign a Contract for Services
- Obtain concurrence from the appropriate collective bargaining unit/agent, if applicable

Periodic reviews will be conducted with the employer to evaluate the participant's progress in OJT. Reimbursement requests, hours worked and the rate of pay will be reviewed (i.e. timesheets, payroll, or other documentation) to ensure compliance. Monitoring will also be carried out to ensure OJT outcomes are achieved, including whether the OJT resulted in long-term employment or, if applicable, an industry-recognized credential.

ADDITIONAL CONSIDERATIONS

OJT may be used in combination with other training opportunities such as occupational training or other work based learning opportunities when the career planner determines that the investment is necessary for the participant to achieve permanent, self-sufficient employment.

REFERENCES:

WIOA Section 3(44)

WIOA Section 134(c)(H)

WIOA Section 188(a)(2) and (3)

WIOA Final Rule 20 CFR 680.700-730; 680.850; 683.260-275

IL WIOA Policy Chapter 7, Section 2.2.1

Modifications:

8.26.2021 – Includes State waiver provision.

9.14.2022 – Expands higher reimbursement priority criteria definition based on revised State policy guidance.