

North Carolina Department of Commerce
Division of Workforce Solutions
ON-THE JOB TRAINING
QUESTIONS/ANSWERS

1. **Question:** An employer is hiring and is interested in OJT. The employer is using a temporary agency to hire for one week to see if applicants can pass the drug test before putting them on the employer's payroll. Can we use OJT with this employer?

Answer: Eligible WIOA participants who have been assessed and found to be in need of and suitable for OJT can be sponsored using OJT funds once the employer hires the individual and places him/her on the employer's payroll.

2. **Question:** Can a small employer that does not have Worker's Compensation Insurance participate in OJT?

Answer: Employers are required to carry Workers Compensation Insurance if they employ:

- Three or more employees regularly employed in the same business or establishment, or
- One or more employees employed in activities which involve the use or presence of radiation, or
- If providing agriculture or domestic services, 10 or more full time non-seasonal agricultural workers regularly employed by the employer (See N.C. Statute 97-2 (1), 97-2 (3), 97-93

If an employer falls below the threshold listed above and has no coverage, it is not a good idea to contract with them. There would be a large liability exposure to the Workforce Development Board.

3. **Question:** Over the last two years an employer has laid off a large number of their employees. The company now is interested in hiring a former employee who worked for the company as a machinist. Since being laid off the employee has received training in electronics and the employer would like to hire this former employee as an electronic technician utilizing OJT. The employer has contacted former employees who worked for the company as electronic technicians and they are not interested in returning to the company since they have secured other employment. Can the employer hire this former employee as an electronic technician and provide OJT?

Answer: Consider whether the company's business has improved to the point that they are no longer laying off, the stability of the company and the likelihood of the participant maintaining employment with this company. If the employer provides justification showing that they have made efforts to rehire former electronic technicians, the employer can hire this participant and participate in OJT.

4. **Question:** Participant is working 8 hours a week as a cafeteria worker, was previously a lead worker in a warehouse, and is very underemployed. Would the 8 hours prevent him from being considered for OJT?

Answer: The participant is a valid OJT candidate utilizing regular formula funds. Case file should document how long he has been laid off from his position as lead warehouse worker and you are working with him to secure a 40 hour week position.

5. **Question:** Please clarify the pay rate requirements for OJT. The performance standards require the state average wage of \$14.90; however, our OJT opportunities range from \$9.00 to \$18.00 an hour. Most dislocated workers will train on jobs that are in the \$12.00 to \$18.00 range; however, for some of our lower skilled dislocated workers the job opportunities will range from \$9.00 to \$11.00 an hour.

Answer: In order to meet WIOA performance standards, the average is **\$14.90 dislocated workers & \$10.96 adults (2013)**; however, we understand that you will have some participants that will earn less than **\$14.90** per hour. From the range of \$9.00-\$18.00, hopefully you will average **\$14.90 for dislocated workers and \$10.96 for adults**. If you think a \$9.00 an hour position is the best one for a candidate based on their limited work skills and this is the rate paid to others in the same position, it is allowable. Keep in mind, other OJT positions are needed at a higher level to make the \$14.90 performance standard average.

6. **Question:** Is it permissible to have two different reimbursement rates for the same employer for two different positions?

Answer: Yes, but remember the maximum reimbursement rate is based upon the size of the employer. The rate is negotiated up to a percentage based on the size of the employer. It is recommended that the reimbursement rate be the same for the company, but the length of training time would vary based on the participant's past work experience, skill gaps and transferrable skills.

7. **Question:** Is it permissible to take a WIOA participant out of a training program and enroll them in OJT?

Answer: Although it is permissible, it is not the intent of OJT to remove someone from one training program to engage in another training program. You should consider if there are other unemployed WIOA clients that are not engaged in training could benefit from an OJT experience.

8. **Question:** Can we provide sponsorship of OJT for minimum wage jobs?

ANSWER: Yes, but consider whether the individual could have gotten the job without OJT. Would the employer have hired this individual for this position without OJT? Does the individual already have the skills or transferrable skills that the minimum wage position requires?

Another factor to consider is averaging at \$14.90 per hour to meet WIOA performance standards.

9. **Question:** Is company size based on the size of the operation locally or must you consider total employment nationally?

Answer: Employer size is based on the employment of the company's local operation where the OJT placements will be made. For instance, a hotel chain that employs thousands nationwide, but only 40 at its company location in the targeted region, may be eligible for reimbursement up to 75%.

10. **Question:** WIOA participant is a contract employee for a company. The employer is interested in hiring the individual to perform the same job, if they can hire using OJT funds. Can OJT funds be used for this participant in his current position as a contract employee?

Answer: No. If the participant has been performing the functions as a contract employee, there would not be skill gaps. Although the participant may not be proficient with all the job functions, he/she has developed the skills needed for average performance.

11. **Question:** Are we required to monitor each individual OJT contract/training plan?

Answer: Each employer with whom the area has an OJT contract must be monitored at least once during the year. For employers who have many (more than 10) participants working for them, monitoring a sample of the participants will be sufficient. It is recommended that you monitor different job types. For employers with less than 10 OJT participants, you must monitor all OJT participants.

12. **Question:** Is there a state or federal regulation limitation on doing OJT where the job requires a certification or license?

Answer: WIOA Federal Regulations 680.700 does not address credentials as prohibiting the sponsorship of OJT. We do not have anything in state policy that would prohibit sponsorship of OJT for someone that is licensed or have received certification in a particular occupation. Since the Federal Regulations do not prohibit it, the state does not want to be restrictive. Of course, your local area policy governs whether your staff provides sponsorship of someone that is licensed or has credentials in an occupation.

13. **Question:** Because employers may track employee work schedule/attendance differently, what can we place in the file to document hours worked? Is a copy of the invoice sufficient when a timesheet signed by the trainee is not available?

Answer: You can develop an employee timesheet or use what has been developed for your summer youth program or any program that required that you keep track of a participant's time. You need to have the timesheet signed by the participant and the supervisor. A copy of the invoice is not sufficient to use as a timesheet.

14. **Question:** We know that the Pre-Award Analysis, the Contract/Employer Agreement, and copies of the individual training plans should be included in employer files. However, we are unsure about what fiscal information needs to be included. Are invoices to be placed in employer files, as well? Is documentation of payment by the WDB to the contractor required in the file?

Answer: The original of invoices and payments should be kept by your fiscal officer. You can make a copy of the invoice and payment for the employer file. If you have a better tracking system with fiscal services than making a copy, you can use that system. Your finance officer will have the original of the invoice and payment. Neither are requirements for the employer file. (All information can be scanned into NCWorks Online if required by your local board.

15. **Question:** Are there regulations that would prevent me from doing OJT in another state if the participant lives in NC, but the employer is in a bordering state?

Answer: No, as long as the participant is a resident of North Carolina and meets OJT eligibility. As a courtesy, it would be good to contact the Workforce Development Board where the company is located.

16. **Question:** when using the sliding scale rate of reimbursement, is part time and/or temporary employees counted as employees of the company?

Answer: Yes, if they are employed by the company.

17. **Question:** What is the sliding scale OJT employer reimbursement?

Answer: The Division approved an increase of the amount of reimbursement described in WIOA Section 3 (44) and WIOA Section 134 (c) (3) (H) up to 75 percent of the wage rate of the participant. Up to 75 percent for employers with 250 employees or less and up to 50% for employers with 251 or more employees.

18. **Question:** A participant is currently working in a temporary position with the county, the contract is not with a temporary agency, they are being paid through a contract with the county and is considered "self-employed" at DSS. DSS would like to hire them permanently with the use of OJT funds. Is this allowable?

Answer: OJT is not meant for someone that is working in a temporary or permanent position if the OJT is for the same position they are working temporary. Consider these questions before making a decision: how long has the individual worked for the county as a self-employed contractor? Do they want to hire her in the same position that she has been doing as a temporary employee? If so, has she mastered the skills of the position? If she has worked in the position they would like to hire her with the use of OJT funds four or more months; she probably can do the job without OJT sponsorship. If they want to hire her full time she probably has mastered the skills needed for the position and would not be sponsored with the use of OJT funds.

19. **Question:** An employer has given 3 pay raises during the agreed upon OJT training time. Should you do a modification of the training plan for the employer agreement and the training plan to reflect the increase and have the employer sign?

Answer: You do not have to modify the employer agreement because the reimbursement percentage did not change. You would need to modify the training plan to reflect the pay change and the total reimbursable amount.

20. **Question:** Can OJT be sponsored for someone that an employer has made an offer of employment but the person has not accepted the position yet?

Answer: Did the employer make the offer to the individual before knowing that the candidate could possibly be sponsored through OJT? If an employer made an offer to hire someone prior to learning of the OJT possibility, you cannot sponsor. OJT is for those participants whom an employer would not hire and the OJT reimbursement is for the extraordinary time spent on training of the OJT candidate.

21. **Question:** Is there an employer OJT hourly wage reimbursement cap?

Answer: There is a wage cap for Job Driven, Dislocated Worker and Sector Partnership National Emergency Grants (NEGs). The updated hourly state wage cap for North Carolina \$20.81 effective 2/23/16. This is an increase from \$20.39. If OJT contracts were developed prior to 2/23/16 and the contract was based on the \$20.39 wage cap, there is not a need to amend the contract to reflect the increase. There is not a wage cap if you are using formula dollars for OJT.

On-the-job training employer reimbursement must not exceed 75% of \$20.81 = \$15.60 or 50% of \$20.81 = \$10.40.

22. **Question:** Can OJT be provided by an employer in the public, private non-profit, or private sector?

Answer: Yes, except for OJT National Emergency grants. OJT may **not** be created with public sector employers.

23. **Question:** Can OJT be sponsored for contract employees hired by a Temporary Employment Agency to work for a different company?

Answer: Yes, except for National Emergency grants. Please refer to the e-mail and document on OJT and Private Placement Agencies provided on November 12, 2015 from Danny Giddens for guidance in working with placement agencies providing OJT.

