



ON-THE-JOB TRAINING (OJT)

Department: Office of Economic & Workforce Development

Effective Date: August 1, 2012

Policy/Procedure # WIA 117-A

Supersedes:
WIA 104-A July 1, 2008

OVERVIEW

On-The-Job Training can be an effective way for Workforce Investment Act clients to reenter the workforce. Employers are compensated for the extraordinary costs of training associated with the hiring of the new employee, at a rate of 50% of the employee's wages for an agreed upon training period. OJT job opportunities can be developed by any representative of the San Francisco One Stop Career Link Center system, and any eligible WIA client can fill the position, regardless of their One Stop location. Funds for the OJT come from the One Stop of the referred WIA client.

REFERENCES

- Workforce Investment Act (WIA) Section 101(31), Section 134 (d) (4) (D) (ii)
- Workforce Investment Act (WIA) CFR 663.595 and 663.700-663.730

BACKGROUND

Through the effective use of OJT activities, eligible Workforce Investment Act (WIA) customers are afforded employment opportunities that provide occupational skills training while earning a sustainable income.

POLICY & PROCEDURE

The expectations of the employer during training are as follow:

- The participant will actually be "hired" and on the employer's regular payroll on the first day of training.
- The employer will provide the participant with training that results in provable skills "competencies" necessary to the job
- The employer will retain the participant as a regular employee upon completion of the program

The expectations of the Provider during training are as follow:

- Contact both the employer and the participant regularly to assess progress
- Coach the participant regarding any behavioral or performance concerns expressed by the employer

- Complete a site visit at the time of contract negotiation and approximately half way through the agreed upon length of training and complete the **Site Visit Report** form
- Provide additional support services to the participant during training as necessary
- Follow up with employer to confirm all competencies have been met at the conclusion of training.

Required Forms

- OJT Coversheet – *completed by the OJT developers and signed by the OEWD representative*
- Form 122: OJT Training Proposal – *completed and signed by the employer*
- Form 123: Proposed OJT Training Outline – *completed by employer and OJT developer*
- Form 124: OJT Contract Agreement – *signed by the employer and the training fund manager (ie manager of the WIA client's One Stop)*
- Form 125: OJT Worksheet – *signed by the referred WIA client, the employer, the training fund manager, and the client's Career Advisor*
- Form 126: Mid-OJT Monitoring Guide – *completed by the OJT developer before the end of the OJT contract*
- OJT Completion Evaluation and Employment Verification

Employer Eligibility

Since OJT is a "hire first" program, the individual becomes an employee of the company at the start of the training program and the employer is required to certify their intention to retain the trainee after the subsidized training period, based upon the acceptable performance of the trainee. As a local policy, organizations with One Stop contracts will not be able to hire client using OJT funds.

OJT Amounts and Time Limits

No individual OJT contract shall exceed a total cost of \$6,000. If an OJT is used in combination with an Individual Training Account (ITA), the sum of all training costs shall not exceed \$6,000 per participant. The length of training for the OJT shall not exceed 5 months. OJT contracts require that the wages paid to trainees be at least the prevailing entry wage for the specific occupation in this local labor market, and adhere to local minimum wage guidelines.

OJTs and Workforce Central

One Stop staff are responsible for ensuring that clients identified to fill OJT job opportunities are eligible for WIA, have had a comprehensive assessment completed, have had an Individual Employment Plan completed that identifies an OJT for the identified occupation as a vocational option, and have been enrolled in Intensive Services.

Ad hoc reports

At any time, OEWD may request ad hoc data reports from providers. Such data requests are often due to requirements from Federal or State entities. OEWD will provide as much notice as possible regarding such requests, given such notice from Federal or State entities.

Frequently Asked Employer Questions

Are there any eligibility requirements for employers?

Employers must carry Workers' Compensation insurance and make Federal and State Tax withholdings as required by law. In addition, the individual trainee payroll tax records and receipts for services (if applicable) must be maintained and available for review for a minimum period of three years after the end of the training period.

How will I find people to hire for OJT positions?

First and foremost, the individual must be determined eligible by the San Francisco One Stop system and be referred to the employer by the OJT Agent, though employers will have the final selection authority over which individuals are hired. Prior to hiring, employers must sign *OEWD Form 125: OJT Worksheet* identifying the individual to be hired. Since OJT is a "hire first" program, the individual becomes an employee of the company at the start of the training program.

Are there limitations around who I can hire?

The individual may not be someone already on the employer's payroll, nor be hired prior to the effective date listed on *OEWD Form 124: OJT Agreement*. Training may only begin after the OJT Agreement has been signed by all parties. If training is in an apprenticeable occupation, as determined by the Division of Apprenticeship Standards, the employer must enter into a commitment to provide the approved apprenticeship training. The employer must comply with requirements of the Civil Rights Act with respect to equal opportunity in employment for the OJT position as well as comply with all federal, State, and local laws. Commission only, bartenders, seasonal workers, occupations requiring licensing as a prerequisite for hiring, and for those employed on a project-basis are usually not appropriate for OJT.

What if I can't find the right eligible individual to hire?

Funds obligated for training positions that are still unfilled 30 calendar days after the OJT Agreement start date will no longer be available. Modifications to the OJT Agreement can be made as needed through mutual agreement of the employer and the OJT Agent.

Do I need to keep the individual after the contracted OJT period ends?

The employer is required to certify their intention to retain the trainee after the subsidized training period, based upon accomplishment of the stated training goals outlined in the OJT Training Proposal and acceptable performance. Trainees hired under this program will be

subject to the same personnel policies, rules and regulations, and accorded the same benefits as the other employees of the company.

Is there a minimum or maximum salary I must pay?

OJT contracts require that the wages paid to trainees be at least the prevailing entry wage for the specific occupation in this local labor market. There is no maximum allowed wage, though the employer will only be reimbursed for 50% of the wages as stipulated in the OJT Agreement, not to exceed \$6,000. If the employer operates under a collective bargaining agreement, the wage and benefits must be those specified in that union agreement and the job opening must be cleared with the appropriate union.

Will I be monitored?

The trainee's progress under an OJT Agreement will be monitored by the staff of the OJT Agent responsible for the development of the OJT Agreement. Each OJT placement must be monitored at least once before completion.

How will I be reimbursed?

Employers should prepare *OEWD Form 126: OJT Contract Invoice and Trainee Timesheets* at the end of each month under contract to reflect hours worked by trainees during that month as the basis for reimbursement by the OJT Agent. One original signed copy of the timesheet should be sent to the OJT Agent at the end of the month (contact information can be found on the form). The timesheets should reflect the total number of hours the trainee worked during the month, **NOT INCLUDING PAID OR UNPAID TIME OFF**. In addition, the employer must provide a copy of the payroll register that coincides with the trainee and the pay periods claimed on the invoice and timesheet.

Step-by-Step:

1. Employer completes and signs **Form 122: On-The-Job Training Proposal**, and returns to their One Stop system representative (Placement Specialist or Business Assistance Specialist)
2. One Stop system representative assists employer in completing **Form 123: Proposed OJT Training Outline**, which is then used by the One Stop system representative to develop a job description for candidate recruitment.
3. One Stop system representative recruits One Stop WIA clients, and coordinates interviews with the employer.
4. When the employer identifies a client they wish to hire, the One Stop system representative completes **Form 124: OJT Agreement**, indentifying the One Stop agency of the selected clients as the "Contractor." The Agreement is signed by the employer and the training fund manager (the manager of the WIA client's One Stop).
5. One Stop system representative completes **Form 125: OJT Worksheet**. The document is signed by the to-be-hired WIA client, the employer, the training fund manager, and the client's Career Advisor.

6. Client begins OJT.
7. Mid way through the contract period, the One Stop system representative visits the work site to monitor the OJT and completes **Form 126: Mid-OJT Monitoring Guide**. Any identified issues with the client or the employer should be addressed.
8. At the completion of the contract period, the One Stop system representative will assist the employer in completing the **OJT Completion Evaluation** and **OEWD Form 117: Written Employment and Education Verification Form**.

INQUIRIES

Inquiries should be addressed to the OEWD Director of Operations at 415-701-4848 or workforcedevelopment@sfgov.org.

OWED and its service providers shall follow this policy. This policy will remain in effect from the date of issue until such time that a revision is required.