



Mississippi Valley Workforce Development Board

On-the-Job Training (OJT) Policy

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A. Purpose

1. This policy establishes requirements to operate the On-the-Job Training (OJT) program under the Workforce Innovation and Opportunity Act (WIOA) in the Mississippi Valley Workforce Development Area (MVWA).

B. Definition

1. On-the-Job Training (OJT) is training by an employer that is provided to a paid participant while engaged in productive work to develop specific occupational skills or obtain specialized skills required by an individual employer that the participant does not already possess.
2. OJT is a “hire first” program; the OJT participant becomes an employee of the company at the start of the training program.
 - a. The employer is required to certify the intention to retain the OJT participant after the reimbursed training period if the OJT participant accomplished the specific occupational skills to be learned as stated in the OJT contract.
 - b. OJT contracts can be written with employers from the public, private non-profit or private-for-profit business sectors.
 - c. WIOA service providers, including but not limited to Business Services Consultant(s) and Career Navigator works in partnership to facilitate the OJT.

C. Priority of Services

1. Priority of Service will be followed as defined in the MVWA Local Plan.

D. OJTs for Employed Workers

1. OJTs may be written for employed workers when the following additional criteria are met:
 - a. The employee is not earning a self-sufficiency wage as defined in the local plan; and
 - b. The OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy or other appropriate purposes identified in the local plan.
 - c. Documentation of the appropriateness including the assessment (participant and employer/business), contract, training plan, progress, skill evaluation, invoices, and other financial records, etc. must be documented in the data management system.

E. OJTs and Registered Apprenticeship

1. OJT contracts may be written with registered apprenticeship programs or participating employers in

registered apprenticeship programs for the OJT portion of the registered apprenticeship program.

F. OJT Employer Eligibility

1. **Temporary Staffing Agencies:** OJTs may not be written with temporary staffing agencies or employee-leasing firms for positions that will be "hired out" to other employers for probationary seasonal, temporary, or intermittent employment. The only exception is when the OJT position is with the staffing agency itself and not a position that will be "hired out."
2. **Reverse Referrals:** In situations where an employer refers an individual to WIOA Title I services for eligibility determination with the intent of hiring that individual under an OJT contract, the individual referred to the program may be enrolled in an OJT with the referring employer only when the below is true. Board members and committee members are eligible to provide reverse referrals taking into consideration that meeting eligibility requirements and consumer choice are still required.
 - a. The referring employer has not already hired the individual.
 - b. An objective assessment and an IEP or ISS have been completed which support the development of an OJT with the referring employer.
3. **Participant Supervision:** Potential employers must be able to demonstrate their ability to train participants. The person(s) providing instruction and guidance to the OJT participant must be capable of delivering instruction consistent with the employer's needs and must have the time away from his/her other duties to provide the needed training and supervision. For example, a truck driving position where the driver drives alone or without immediate supervision or training would not be appropriate for OJT. To document this, the WIOA service provider will document this in the OJT Contract.
4. **Excluded employers**
 - a. Prior to re-contracting with an OJT employer, the past performance of that employer must be reviewed.
 - b. An OJT contract must not be entered into with an employer who has previously exhibited a pattern of failing to retain at least 75% of OJT participants with continued long-term employment as regular employees with wages, benefits, and working conditions at the same level and to the same extent as similarly situated employees.
 - i. OJT participants who voluntarily quit, are terminated for cause, or are released due to unforeseeable changes in business conditions need not result in termination of employer eligibility for future OJT contracts.
 - c. An employer that has been excluded from OJT contracting because of the requirement(s) described above may again be considered for an OJT placement one year after that sanction was imposed.
 - d. In this re-contracting situation, if the employer fails to retain the participant after the OJT ends, and there is no apparent cause for dismissing the employee, the employer must not receive any future OJT contracts.
 - e. MVWA may reconsider the employer for participation in the program if they can demonstrate they have taken appropriate corrective action to comply with WIOA.

G. Ineligible Occupations

1. Specific Vocational Preparation (SVP) ratings indicate how long it takes a worker to learn how to do the job at an average performance level. SVP numbers assigned to each job have been pre-determined by the Department of Labor (DOL).
 - a. The specific vocational training used to determine an SVP includes training done in:

- i. vocational schools
 - ii. the military
 - iii. by apprenticeships
 - iv. organized in-plant training
 - v. on-the-job training by another qualified employee, or
 - vi. experience learned in other jobs.
- b. There are nine SVP levels; the higher the SVP number the more training needed to learn the job. The SVP levels represent the following amount of training.
- i. SVP 1- a short demonstration
 - ii. SVP 2 - up to one month
 - iii. SVP 3-up to three months
 - iv. SVP 4-three months to six months
 - v. SVP 5-six months to one year
 - vi. SVP 6-one to two years
 - vii. SVP 7-two to four years
 - viii. SVP 8-four to ten years
 - ix. SVP 9-over ten years
- c. The SSA uses these SVP ratings to determine skill level:
- i. Jobs with SVP ratings of 1 or 2 are considered unskilled.
 - ii. Jobs with SVP ratings of 3 or 4 are considered semi-skilled.
 - iii. Jobs with SVPs greater than 4 are skilled.
2. OJT contracts must not be written for the following occupations:
- a. jobs with SVP ratings of 1 or 2 or
 - b. those jobs that require employees to sign a non-compete agreement;
 - c. jobs used to assist, promote, or deter union organization;
 - d. jobs in which the principal source of income is tips, commissions or piecework;

H. OJT Payment and Training Length

1. Payment of WIOA Title I funds to employers is compensation for the extraordinary costs of training participants, including costs of classroom training and compensation for costs associated with the lower productivity of such participants.
2. Payment rate and rate considerations:
 - a. The maximum amount of an OJT contract allowed is \$12,500 per program.
 - b. The employer is reimbursed up to fifty percent (50%) of the participant's wage rate.
 - c. The employer can be reimbursed up to seventy-five percent (75%) of the wage rate of the participant if any of the following criteria are met:
 - i. The characteristics of the participants, whether they are individuals with barriers to employment, their length of unemployment, and their current skill level.
 - ii. The OJT is with a small businesses with less than 200 employees.
 - iii. In other circumstances a waiver can be submitted to the MVWD Board to request the seventy five percent (75%) wage rate reimbursement.
 - iv. Preference will be given to skilled trades and advanced manufacturing in the Local Area when funds are limited.
 - v. Other circumstances will be considered on a case-by-case basis.
 - d. Wages are considered to be monies paid by the employer to the participant. Wages do not include tips, commissions, piece-rate based earnings or non-wage employer fringe benefits.
 - e. Any shift differentials or shift rate changes will be clarified, set and included in final OJT contract.

- f. Payment for overtime hours and holidays is allowable.
- g. Holidays may be used as the basis for OJT payments only if the participant actually works and receives training on the holiday.

I. OJT Contracts

1. OJT must be provided through a contract to provide a structured occupational training opportunity for the OJT participant to gain the knowledge and competencies necessary to be successful in the occupation in which they receive training.
2. The contract must be completed and signed before the OJT participant starts working. [20 CFR 680.720 (b). The WIOA service provider or other designated staff, and the employer must sign an OJT contract for each OJT participant.
3. An OJT contract must be limited to the period of time required for the participant to become proficient in the occupation for which the training is being provided.
4. No OJT contract will be longer than six (6) months and will not exceed 1040 hours.
5. Appropriate contract length will be determined by considering the skill requirements of the occupation, the academic and occupational skill level of the participant, and the participant's prior work experience.
6. In assessing the time requirements, the WIOA service provider will consider the specific skills needed for that occupation as required by that employer for that job; the normal training time for that occupation as shown by O*NET, which may be accessed at <http://www.doleta.gov/programs/onet>; and the specific additional skills to be learned by the OJT participant as determined by the assessment of the participant's current skills and experience in comparison to what is required for successful performance in that specific occupation.
7. The Training Length Determination Form will be used to calculate the maximum number of hours allowed for the OJT contract. The actual hours of the contract will be determined by the Training Outline/Plan, which is developed jointly by the OJT supervisor and the WIOA service provider.
8. Rationale for OJT. The rationale for the OJT training, including duration, must be entered in the participant's Individual Employment Plan (IEP).
9. Under no circumstances can an OJT contract be written for a participant if the hours of training required for the position in which the participant is to be trained is determined to be less than 160 hours.
10. The hours specified must be considered as a departure point for determining actual training hours.
11. If the total number of training hours needed to successfully train a participant for the OJT position cannot be provided during the maximum contract length allowable, as many training hours as possible must be provided.
12. The number of training hours for a participant may be increased/decreased based upon the individual circumstances of the participant and will be approved by the board/executive committee on a case-by-case basis.

J. OJT Contract Required Provisions

1. Wages paid to OJT participants must be at least the prevailing entry wage for any specific entry occupation in the community. 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.
2. Compliance 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.
3. OJT participants hired under this program will be subject to the same personnel policies, rules and regulations, and afforded the same benefits as the other participants of the company.

4. Employers must carry Workers' Compensation Insurance and make Federal and State Tax withholdings as required by law. In addition, the individual OJT participant 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.
5. Conditions of employment and training will be in full accordance with all applicable federal, state, and local laws (including but not limited to child labor, health and safety laws), and be appropriate and reasonable in regard to type of work undertaken and the proficiency of the participant.
6. Employer certifies that the OJT participant will not displace any regular employee and certifies that no person was displaced as a result of relocation of the current business in the 120 days prior to signing the Pre-Award Review form.
7. The OJT occupation must not involve religious or political activity.
8. The OJT must be conducted at the employer's place of business or another site and may not be subcontracted.
9. No employer may hire an OJT participant if a member of the OJT participant's immediate family is engaged in an administrative capacity for that employer.
10. The OJT employer must certify that neither the employing company nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation by any federal department or agency.
11. The OJT Training Outline/Plan must be written for skills that the OJT participant does not already possess. Care must be given to check the OJT participant's work history, and to document that the new skills to be learned are different, more difficult, and/or unique to the new job, and are therefore necessary to perform the new job tasks.
12. Contract clause for modification provision in case there are situations where the OJT contract would need to be modified.
13. Participant hourly wage rate and allowable training hours (work zones as noted on O- Net).
14. Agreement on the maximum amount of reimbursement and/or allowable costs of training.
15. Provision for wage increases based upon successful achievement of training goals as provided to other similar employees, if applicable.
16. A requirement for job retention beyond the training period.
17. A provision for termination due to lack of funds or lack of participant attendance or unsatisfactory progress.
18. Duration of contract.
19. Contract termination clauses.
20. Provision for allowing for MVWA or their designee, state and federal staff monitoring and review of training records.

K. Progress Review

1. The appropriate WIOA service providers will conduct monthly progress review by the employers desired mode of communication, to include but not limited to phone, email, or web conferencing software. The first visit will be in person to ensure compliance with provisions of the contract and that training is being provided as outlined in the contract, unless there are extenuating circumstances. If the progress review is conducted in person, the WIOA service provider(s) will ask to see the Training Progress form to ensure that the employee is making progress toward the completion of the Training Outline/Plan.
2. The service provider will maintain a contract file on each OJT with the following documentation:
 - a. Pre-Award Review form
 - b. Original OJT Contract and any modified contracts.
 - c. Proof of Workers Compensation Insurance coverage

- d. Training Length Determination Form
- e. Invoices and supporting documentation
- f. Training Progress form (both interim and final)
- g. Job description
- h. Justification of OJT participant's failure to satisfactorily complete (if applicable)

L. Monitoring

OJT monitoring will be completed to ensure compliance with federal, state and local policy and follow the procedures outlined in the local Monitoring and Oversight Policy.

M. Exceptions

Any exceptions to this policy must be approved by the MVWDB Executive Director in consultation with the Operations Committee Chair and must be documented in both the participant's and OJT Employer's files.