Policy Letter #12

TO: **All Staff and OJT Contractors**

FROM: **Samantha Wullenwaber, Director**

SUBJECT: **On-the-Job Training Policy**

PURPOSE

On-the-Job Training (OJT) provides a means to expand and enhance workforce service delivery to citizens throughout the Mid-Carolina Workforce Development Board (Mid-Carolina WDB) region. OJT is a viable pathway for unemployed and underemployed workers seeking employment, and for employers seeking workers. It offers the unique opportunity to offset initial training costs to fill skilled positions while building organizational productivity as the employee learns job requirements.

BACKGROUND

The WIOA OJT program is designed to give enrolled WIOA Adults, Dislocated Workers and Youth an opportunity to learn skills that will lead to employment in occupations or positions for which they are not qualified. WIOA OJT reimburses qualified employers for the extraordinary cost of training and additional supervision that is needed by the unqualified WIOA participant.

On-the-Job Training provides a means to expand and enhance workforce service delivery to the region's citizens. It offers the unique opportunity to offset initial training cost to fill skilled positions while building organizational productivity as the employee learns job requirements.

OJT, as defined in WIOA Section 3(44) is training by an employer that is provided to a paid participant while engaged in productive work in a job that:

1. Provides knowledge or skills essential to the full and adequate performance of the job; Provides reimbursement to the employer of up to 50% of the wage rate of the participant, except as provided in Section 134(c)(3)(H) of WIOA, (75%, see note below) for the extraordinary costs of providing the training and additional supervision related to the training; and
2. 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.

Note: Per Sections 3(44) and 134(c)(3)(H) of WIOA, the amount of reimbursement may be increased up to 75% of the wage rate of the participant if the increased rate of reimbursement is warranted after taking the following factors into account:

I. Attributes of the participant with special emphasis on whether the participant is an individual with barriers to employment as defined in Section 3(24) of the WIOA;
II. The size of the employer, with increased reimbursement available to employers with less than 251 employees;
III. The quality of employer-provided training and advancement opportunities; and

IV. Any other factors deemed appropriate by the Governor or Mid-Carolina WDB, respectively, may be determined to be appropriate, which may include the number of employees participating in the training; wage and benefit levels of those employees (at present and anticipated upon completion of the training); and relation of the training to the competitiveness of the participant.

WDBs must document the factors used when deciding to increase the wage reimbursement levels above the 50% limit set in Section 3(44) of the WIOA; provided the reimbursement level cannot exceed 75% in any circumstances.

ACTION

Outreach and Recruitment of OJT Participants

The outreach and recruitment of OJT participants is the responsibility of all Career Center staff as they work with various partnering agencies. In addition, Career Center staff who work with businesses will work to identify potential participants with those respective businesses and industry sectors. Partner agencies can be but are not limited to Division of Employment and Independence for People with Disabilities, Department of Social Services, Community Colleges, Public Schools, Economic Development Organizations, Chambers of Commerce, and Faith-based Organizations.

Trainee Eligibility

OJT may be provided to eligible WIOA trainees who are assessed and found to be in need of, and suitable for, training services in order to obtain or retain employment that leads to self-sufficiency. The trainees must demonstrate a need for training as recorded on the Individual Employment Plan (IEP) or Individualized Service Strategy (ISS).

While employers will have the final selection authority for individuals to be hired, all trainees must meet certain WIOA eligibility criteria before training can begin. Only those individuals who meet the eligibility requirements for career services, who have received an assessment, and for whom an IEP or ISS has been developed may be considered for OJT.

Consideration should be given to the skill requirements of the occupation, academic and occupational skill level of the trainee, prior work experience, and the trainee's IEP or ISS. The results of an objective assessment, as documented on the individual's IEP or ISS, must indicate that the trainee is in need of, and can benefit from, the activity of OJT. The trainee's work history must capture the past work history, volunteer experience, and education to identify strengths and areas of needed improvement of the applicant. The trainee's file must include documentation as to the new skills to be acquired during training and how skills gap deficiencies will be overcome with the training.

Eligible Employed Workers

A currently employed individual may be eligible for OJT with their existing employer when training is required to enable the employee to advance to a new position that requires the acquisition of substantially different and higher-level skills. The OJT must result in the individual gaining the necessary competencies to move into the upgraded role and must be accompanied by a wage increase upon successful completion.

For example, a current employee transitioning into a Registered Apprenticeship Program with their current employer - where a formal training plan and wage progression are in place - may be supported through an OJT contract to facilitate skill acquisition for the apprenticeship role.

This is allowable under 20 CFR § 680.710, which states:

OJT contracts may be written for eligible employed workers when:

- *The employee is not earning a self-sufficient wage or wages comparable to or higher than wages from previous employment, as determined by Mid-Carolina Workforce Development Board (WDB) policy;*
- The requirements in *§ 680.700* are met; and
- *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 by the Mid-Carolina WDB.*

Employer Referrals (Reverse Referrals)

When an employer identifies a potential candidate for employment who lacks the skills the employer requires upfront and is in need of OJT, they may refer the individual to the Career Center for WIOA and OJT eligibility determination. An individual referred as a potential candidate for OJT by an employer (reverse referral) may be considered for OJT with that employer only after the individual has met eligibility requirements for career services, has received an assessment, and for whom an IEP or ISS has been developed that indicates OJT is appropriate. This must be done *prior to the hiring selection or extending an offer of employment*. No more than 75% of OJT enrollments should be reverse referral.

Supportive Services

Supportive services will be provided to ~~all~~ participants who demonstrate a need for assistance. Supportive services will be made available based on funding and cover such items as transportation, emergency assistance, and occupational uniforms and/or equipment. *Supportive Services **must be** included in the IEP/ISS*. Other requests will be considered on a case-by-case basis and will be based on need and funding assistance.

Employer Eligibility

The hiring and training may begin after the OJT Pre-Award Analysis form has been completed and the OJT Employer Agreement has been signed by all the parties. The trainee becomes an employee of the company on the day the OJT begins.

Staff should give careful consideration when selecting a suitable employer for OJT. General business practices in terms of working conditions (safety, health, etc.), the availability of benefits, sustainable wage structure, company turnover rates, adequate staff and equipment to carry out the training, previous performance with the OJT program, and whether the employer is in compliance with federal, state, and local laws are factors to consider while completing the OJT Pre-Award Analysis form.

When considering an employer to participate as an OJT worksite, staff should carefully review

and determine the nature of the employment to ensure the employment is ongoing and not temporary, probationary, or intermittent employment.

An OJT contract must be limited to the period of time required for a trainee to become proficient in the occupation for which training is being provided. In determining the appropriate length of the training, consideration must be given to the skill gaps that exist when comparing the skill requirements of the occupation and the academic and occupational skill level of the trainee, prior work experience, and the trainee's Individualized Employment Plan or Individual Service Strategy. See the Skills Gap Analysis/Training Plan Development section.

Contract Requirements

- No participant who is to be hired into a training position under an OJT contract may be employed prior to the date the contract is signed. The effective date of the contract shall be negotiated between the Service Provider and the employer and shall be based upon the needs of the participant(s) to start to work and the time needed for processing the contract.
- An orientation will be provided to each OJT participant by the Service Provider staff. Each participant, at a minimum, will be acquainted with job factors (wage rate, fringe benefits, numbers of hours expected to work or attend training, and place of employment), supportive services available, grievance procedures, and civil rights. Special orientation to the "world of work" may be provided by service provider staff or by the employer.
- OJT contracts require that the wages paid to trainees be at least the prevailing entry wage for any specific occupation in the community. No OJT contract shall be initiated unless the wages for the position start at a minimum of $**15.00**/hour. The wage cap for reimbursement may not exceed $**50.00**/hour. 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.
- Reimbursements will be based on the participant's regular base wage rate. Overtime hours may be reimbursed at the regular rate of pay only, and not at the overtime or premium rate. Reimbursements will not cover holiday pay, sick leave, vacation, or other leave time.
- The employer must comply with requirements of the Civil Rights Act of 1964 and 29 CFR Part 31 with respect to equal opportunity in employment for the OJT position, as well as comply with all federal, state, and local laws.
- Trainees hired under OJT will be subject to the same personnel policies, rules and regulations, afforded the same benefits, and compensated at the same rates as other employees of the company.
- Employers are required to maintain Workers' Compensation Insurance coverage for all OJT participants and must comply with applicable federal and state tax withholding laws. Employers must also retain individual trainee payroll tax records for a minimum of three (3) years following the completion of the training period and make such records available for review upon request.
- Conditions of employment and training will be in full accordance with all applicable federal, state, and local laws (including but not limited to health and safety laws) and be

appropriate and reasonable with regards to the type of work undertaken and the proficiency of the trainee.

- The employer must certify that the trainee will not displace any regular employee of the employer, and that no person was displaced as a result of the relocation of the current business within the previous 120 days of signing the OJT Contract Agreement.
- The OJT employer will agree to adhere to the Mid-Carolina WDB's grievance process if a complaint arises in connection with the OJT trainee and/or the training.
- OJT trainees will not be employed to carry out the construction, operation, or maintenance of any part of a facility that is used, or to be used for sectarian instruction or as a place for religious worship or be required to participate in religious activities.
- No individual (neither new hire nor incumbent worker) may enter an OJT position if a member of his or her family is engaged in an administrative capacity with the OJT employer, including a person with selection, hiring, placement, or supervision responsibilities for the OJT trainee.
- 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. Staff should review Suspension of Funding List through the Office of State Budget and Management.
- The OJT employer will maintain and make available for review all time and attendance, payroll, and other records to support amounts reimbursed under OJT contracts.
- A trainee may not be trained under an OJT contract at a particular employer if:
    1. any other individual is on layoff from the same or substantially equivalent job;
    2. the employer has terminated the employment of any regular, unsubsidized employee, or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy so created with the WIOA trainee; or
    3. the job is created in a promotional line that infringes in any way on the promotional opportunities of currently employed workers.
- The OJT training occupation must not be seasonal, intermittent, or temporary.
- The occupation must not involve payment in the form of a commission as the primary source of payment to the OJT employee.
- The occupation must be one in which specific occupational training is a prerequisite for employment.
- The occupation must provide full-time employment. (Full-time is defined as a **40**-hour work week, except where fewer or greater hours are normal to the occupation, but in no case less than **30** hours per week.) Contracts may also be negotiated for part-time employment if such negotiation is undertaken for a specific trainee, but only in those instances where full-time employment is not feasible due to limitations (*i.e.*, individuals with an impairment or disability, apprenticeships, etc.).
- Training may not be provided for occupations where adequate supervision and/or monitoring are not available. These may include traveling salespersons, out-stationed job positions, truck or van drivers and other positions requiring more than an occasional trip from the employer worksite.

Skills Gap Analysis/Training Plan Development

Prior to the OJT start date, an individualized OJT Training Plan must be developed for the acquisition of skills that the trainee does not already possess. Skills the trainee acquired from

previous work or life experiences are transferrable and can be used in every occupation, regardless of the type of work. Transferrable skills are unlike job-related skills, which tend to be used only in one type of work. This plan will contain occupationally specific skills that the employer requires for competency in the OJT occupation. OJT funds should not be used for orientation to standard operating procedures of the employer.

An analysis of the trainee's prior work history, transferrable work skills, and the job skills gained must be compared to the job skills/job description the employer requires in the OJT occupation. The resulting gap in skills will be the basis for the development of the Training Plan. Specific Vocational Preparation (SVP), as defined in Appendix C of the *Dictionary of Occupational Titles*, is the amount of lapsed time required by a typical worker to learn the techniques, acquire the information, and develop the facility needed for average performance in a specific job-worker situation. The following is an explanation of the various levels of specific vocational preparation (SVP):

SVP Levels

SVP CODE	TRAINING HOURS	TRAINING LENGTH
1.0 to < 2.0	< 160	Short demonstration only less than 1 month.
2.0 to < 3.0	161 - 320	Anything beyond short demonstration up to and including 1 month.
3.0 to < 4.0	321 - 480	Over 1 month up to and including 3 months
4.0 to < 5.0	481 - 640	Over 3 months up to and including 6 months
5.0 to < 6.0	641 - 800	Over 6 months up to and including 1 year
6.0 to < 7.0	801 >	Over 1 year up to and including 2 years

SVP levels found in the O*NET Online database for a particular occupation will be used and adjusted to determine the length of training necessary to acquire the needed skills. Each skill description should be concise but comprehensive, and the individual tasks should be measurable and observable. The specific types and sources of information used to identify the scope of the skills gap must be included in the trainee's case file.

Additional insights can be gathered through interviews with both the employer and the candidate to identify any specific skills gaps. These gaps should be clearly summarized in a narrative included with the skills gap analysis.

Trainee Skill Evaluation

At the midpoint of training and the conclusion, the trainee's acquisition of the required occupational skills on the Training Plan will be evaluated by the employer/supervisor using the OJT Trainee Evaluation Form. This provides an opportunity for the employer or supervisor and the trainee to review the trainee's progress, discuss skill development, and make any necessary adjustments to the Training Plan—including modifying, extending, or shortening the training duration as needed.

- The Trainee Evaluation Form will also be used at the conclusion of training to document the mastery of the required skills.

- Successful Completion of the final skills evaluation section of the form signals the successful completion of the Training Plan and agreement by the employer to retain the trainee.
- Trainees under an OJT contract will be formally monitored at least once during the training period by the staff of the agency responsible for the development of the contract.
- Trainee's progress must be documented monthly in the case notes.

On-site assessments are strongly recommended during the OJT process to ensure that the OJT employer is adhering to all program requirements and training quality. By observing the workplace and training environment firsthand, staff can better determine if the skills being taught align with the training plan, and the training meets industry standards. Additionally, face-to-face visits build a stronger relationship between the staff and the employer. It fosters communication, encourages collaboration, and demonstrates the staff's commitment to helping both the employer and the trainees succeed. This partnership is essential for the long-term success of the OJT program.

OJT Contract Modification and/or Termination
The OJT contract may be modified or terminated by the Service Provider, or the employer, by mutual consent, if it is determined that such modification or termination is in the best interest of the program participant and the employer. The Service Provider will use the Employer Agreement and the Training Plan to document the modification or termination. Modifications requested by an employer shall be evaluated by the Service Provider who may approve or disapprove the modification. Modifications are to be documented and signed in Section 4 of the Employer Agreement and the OJT Training Plan.

OJT Supporting Registered Apprenticeships
Under the WIOA, OJT can be a supportive strategy for the Registered Apprenticeship (RA) or Pre-Apprenticeship programs. The WIOA recognizes the importance of apprenticeships in the workforce development system and allows the use of funds to support OJTs for employers who hire apprentices. The OJT can complement the structured learning provided by the RA program, ensuring apprentices gain practical, hands-on experience, help reduce the financial burden on employers and makes it easier for them to participate in the apprenticeship program. Performance outcomes for RA include measures such as employment retention, wages earned, measurable skills gains and attainment of industry-recognized credentials.

OJT Forms
The official OJT forms are:
- Pre-Award Analysis
- Employer Agreement
- Contract Modification
- Training Plan
- Training Plan Modification
- Trainee Evaluation

These documents are required for all WIOA-funded OJT activities. Each of these forms must be uploaded and maintained in the participant's NCWorks Online account. It is also required that

these documents be uploaded to the employer's NCWorks account to help identify individuals participating in OJT by employer.

Justification for Reimbursement Documentation
Service Providers **MUST** have processes in place to verify trainee time and pay. Such as signed timesheets, invoices, payroll records, and/or copies of pay stubs must be maintained and uploaded to NCWorks Online and made available for local and state monitoring. Electronic timesheets are acceptable with required signatures and may be printed and signed.

Reimbursement Policy and Invoicing Process
Employers may be reimbursed for the wage rate of an OJT participant. OJT payments to employers are deemed to be compensation for the extraordinary costs associated with training participants and potentially lower productivity of the participants while in the OJT. Employers are required to submit monthly invoices along with time sheets and pay stubs/pay register to the Service Provider. The monthly invoices will cover the previous pay periods corresponding to the invoice submitted. Employers are required to submit monthly invoices within 10 days of the invoice end date. The Service Provider will provide the employer with assistance in completing the first invoice at the 30-day evaluation and will assist thereafter as needed. Reimbursement will be made upon completion of the training hours and submission of the OJT payment voucher with all required documentation.

Reimbursement documentation is required to be uploaded into NCWorks within 14 days of submission to the Service Provider.

Reimbursement is limited to time worked for which wages are paid under each training objective listed on the participant's Training Plan. Employers will not be reimbursed for time paid to trainees for: sick leave, vacation time, holidays, personal leave, military leave, and other paid leave, as these days are not considered days in training. Employers who pay trainees for travel time cannot be reimbursed travel time, as a trainee is not performing work documented on a training plan. Employers may be reimbursed for overtime wages, provided the work is consistent with the participant's Training Plan. Overtime wages are paid at the established reimbursement rate, not the actual overtime rate paid the participant. Original contract end dates can be modified for special circumstances.

Reimbursement timelines are contingent upon the internal administrative and financial processes of the designated Service Provider. **Employers participating in this program must possess sufficient independent working capital to sustain business operations for up to 45 calendar days while invoices and payment requests are actively being processed**.

Upon receipt of all required supporting documentation from the employer, Service Provider staff will issue a confirmation email acknowledging receipt of the reimbursement documents. The 45-calendar-day processing period will commence on the date the Service Provider sends the confirmation of receipt.

Employers should retain the confirmation email for their records, as it establishes the commencement date of the applicable reimbursement processing period.

The reimbursement rate varies depending on the size of the company:

- Up to 50 % for employers with 251 or more employees (25 OJTs per company, per program year);
  or
- Up to 75 % for employers with 250 employees or fewer (10 OJTs per company, per program year).

Financial and Programmatic Monitoring
Financial and Program Monitoring will be conducted by Mid-Carolina WDB Staff and will be conducted during the review of monthly invoices along with scheduled monitoring visits throughout the program year. Additionally, formal reviews will take place at least once during each OJT contract duration.

Coordination of Case Management and Business Services Functions
Case management will be the responsibility of the Service Provider staff. Staff must have monthly contact with the participants and document through a case note in NCWorks Online. This will ensure the participant stays on track during training and any subsequent OJT contract.

In addition, Career Advisors and Business Service Representatives will monitor, using the OJT Monitoring tool, at least once during the OJT contract period. The completed OJT Monitoring Tool will be uploaded into the participant's NCWorks Online. Career Advisors or Business Service Representatives will document the trainee's progress monthly in a case note.

Reporting
The following must be entered or uploaded in NCWorks within 14 calendar days from the date of the action:

- The appropriate service codes must be entered for each OJT participant
- All OJT documents (such as the Pre-Award Analysis, Employer Agreement, Training Plan, Skills Gap Evaluation documentation, and Trainee Evaluation)
- Signed timesheets, invoices, payroll records, and/or copies of pay stubs
- Case notes relevant to the OJT service

REFERENCES

OG 07-2025, Change 1: Work-based Learning Comprehensive Guidance
TEGL 21-22: Increasing Equitable Service Access and Employment Outcomes for All Jobseekers in WIOA Programs
TEN 23-23: Quality Pre-Apprenticeship Programs

ATTACHMENTS

Attachment A: On-the-Job Training (OJT) Pre-Award Analysis
Attachment B: On-the-Job Training (OJT) Employer Contract Agreement
Attachment C: On-the-Job Training (OJT) Contract Modification
Attachment D: On-the-Job Training (OJT) General Assurances
Attachment E: On-the-Job Training (OJT) Training Plan
Attachment F: On-the-Job Training (OJT) Training Plan Modification
Attachment G: On-the-Job Training (OJT) Trainee Evaluation

Attachment H: Eligible On-the-Job Training (OJT) Per Program Year
Attachment I: On-the-Job Training (OJT) Participant Orientation
Attachment J: On-the-Job Training (OJT) Employer Orientation

CREATION DATE
July 2022

REVISION DATES
January 2024
December 2024
September 2025
January 2026
March 2026
September 2026