On-the-Job (OJT) Training Handbook

SC WORKS

LOWER SAVANNAH

Workforce Development

Lower Savannah Council of Governments

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Lower Savannah
Workforce Development Area
On-The-Job Training (OJT) Handbook

What is the objective of the OJT?
The objective of OJT is to obtain the training for occupations that have no or limited formal classroom training or in which "hands-on" training is necessary to learn the job.

OJT provides payments to employers for training eligible Workforce Innovation and Opportunity Act (WIOA) participants. Payments are based on a range of 50% to 75% of the wage rate of the WIOA participant for the extraordinary costs of providing training. The percentage is dependent on length of training, number of employees at the host company, and length of current unemployment period of WIOA eligible participants. OJT is limited in duration as appropriate to the occupation for which the participant is being trained. This information is based on Labor Market Information or LMI. The length of training considers the content of the training, the prior work experience of the participant, and the plan for assisting the participant to upgrade their employability.

What is the source of OJT funds?
The Workforce Innovation and Opportunity Act is funded by federal tax dollars. WIOA reinvests your federal tax dollars to help upgrade the nation's workforce. Employer reimbursement is contingent on available funding provided to the Lower Savannah Council of Governments Workforce Development Division via the US Department of Labor.

Who is the contact to find out more about getting an OJT Agreement?
The OJT provider for training and employment services is the Lower Savannah Council of Governments (LSCOG) Workforce Development Division. LSCOG serves employers in Aiken, Allendale, Bamberg, Barnwell, Calhoun, and Orangeburg counties. Workforce programs are administered regionally by the Workforce Development Division of the LSCOG (803) 649-7981.

Who is eligible for OJT?
Individuals in one of the following groups are eligible to be trained under an OJT Agreement:

- Workers who have been laid off from another job and are unlikely to return to their previous industry or occupation; and
- Unemployed or underemployed adults over the age of 18.
- Youth, only under rare circumstances

New employees/trainees must not:

a) Already have the skills listed in the Training Plan to perform the job without the OJT;
b) Already have been hired, offered employment, or started employment with the employer before the OJT Agreement is signed (except for employed worker OJT discussed below).
c) Be a member of their supervisor's immediate family.

Who chooses trainees?
The final choice of who is trained rests with the employer. Frequently, the SC Works Centers have an eligible individual to refer when employers have openings under OJT Agreements. The Workforce Development Staff will refer eligible individuals who meet employer specifications. The employer may interview those referred and select whom to hire. The employer may "reverse-refer" candidates that they are interested in hiring, but those individuals must qualify for WIOA enrollment to be eligible to participate in the OJT program.

Can employed workers be trained under an OJT Agreement?
Yes, employed workers can be trained under an OJT Agreement if the Training Plan shows that the occupational skills to be acquired are an upgrade to the person's existing skills and the following conditions apply:

- The employee is not earning a self-sufficient wage as defined by WIOA.
- All other requirements for OJT Agreement described in these procedures are met; and,
- The OJT relates to introduction of new technologies; or introduction to new production or service procedures; or, upgrading to new job that require additional skills, or workplace literacy.
- Employer must submit current job description and new job description for OJT position.

How is eligibility arranged and how are individuals approved for training?
For those individuals not already determined eligible and enrolled into the WIOA program, an assessment/eligibility appointment will be scheduled by Workforce Development Staff. This appointment includes a screening interview with Workforce Center professional staff, SC Works Online System registration, completion of WIOA eligibility application and development of an Individual Employment Plan (IEP) that may include identifying and arranging for supportive services, if applicable. Individuals being referred to the WIOA OJT program will be required to complete a comprehensive assessment such as WorkKeys/WIN if they have not already done so. Upon WIOA enrollment, an assessment of the individual's need for training and ability to complete training will be done through a Training Committee.

Employers may refer applicants to the Lower Savannah SC Works Center to fill OJT slots and agreements can include upgrading employed workers under certain conditions. An employer's current employees, if they are under-employed, will need to have their eligibility determined by visiting a SC Works Center or by arranging for a Workforce Center representative to visit their business. No OJT payment should be counted on until eligibility is completed, the OJT Agreement is signed and Training Plan including training length is approved.

What is the employer's responsibility for providing training?
In return for OJT payments, employers provide instruction, equipment, materials, and evaluations according to the OJT Training Plan. Employers agree that individuals who successfully complete OJT will continue to be employed as a regular full-time employee under the same rules as similarly situated employees.

The employer agrees to participate in any follow-up efforts conducted by the Workforce Development staff to evaluate program effectiveness.

How is training documented?
Employers document training by reporting time, attendance, and progress toward meeting training objectives through submission of OJT participant timesheets and completion of the OJT Training Outline form. Progress may also be submitted in the form of an email to Workforce Development staff.

By agreeing to this contract will the employer be obligated to hire an OJT trainee?
Employers choose trainees from those determined eligible by the Workforce Innovation and Opportunity Act system. If no one suitable is referred, there is no obligation to hire from the system. Entering into this agreement does not prevent the employer from hiring outside of the system although OJT will not be available for those individuals.

How is the training length determined?
OJT training length is limited to the time required for an individual to become proficient in the occupation for which they are being trained, based on previous skillsets and Labor Market Information. LSCOG Business Service Representatives (BSR) work with an employer to determine OJT training length. Length of training may vary among occupations and may be influenced by the abilities and prior experience of each employee.

Where do I find the approved amount of the OJT Agreement?
Each OJT contractual agreement lists the OJT job title, hourly rate, training length, reimbursement percentage, and the projected reimbursement total.

What is the participant wage limit for OJT?
OJT wages within the Lower Savannah six (6) county region are to be at a minimum of $11 per hour. Any deviations outside the minimum range will have to be accompanied by a detailed explanation. Changes to an OJT employee's wage are not allowed and will impact future OJT eligibility for the employer/organization.

How are OJT Training Payments made to employers?
The total amount of the payment to the employer for each OJT trainee is based upon the agreed amounts of the contract's reimbursement percentage (50% to 75%) of the wages paid to eligible employees during the approved training period.

The reimbursement rate varies depending on the size of the company:
- Up to 50 percent for employers with 100 or more employees; or
- Up to 75 percent for employers with 99 or fewer employees.

Reimbursement to the employer is made after submission of OJT participant's timesheets. OJT Timesheets may be submitted monthly, quarterly, after completion of training or at the convenience of the OJT host business. Ideally the reimbursement plan must not create a hardship on the OJT host business or the LSCOG OJT reimbursement process.

Final OJT timesheets must be submitted no later than one month after completion of training.

Attempts will be made by Workforce Development staff to secure reimbursements with employers. If these attempts are unsuccessful, it will be assumed that the employer has chosen to forgo reimbursement and those allotted funds will be used to fund additional OJT contracts throughout the region. The employer agrees not to submit reimbursement requests to the Service Provider for training costs that exceed the maximum amount shown in the OJT Training Plan.

While LSCOG reimbursements are timely, they are not a substitute for the employer's payroll procedures or processes. Meeting timely payroll obligations are the sole responsibility of the employer.

Do OJT payments cover training other than learning while working?
Work time includes time, for which the trainee is paid and engaged in work-related training (e.g., studying training manuals, attending job-related seminars, workshops, or one-on-one training). Payments are not made for time not worked but paid such as: vacation, sick leave, holidays not worked, any hours worked over 40 per week, fringe benefits, shift differential, retirement benefits or any other non-work.

What happens if Employers have problems with OJT employees?
Employers should contact the OJT Provider's Business Service Representative. Employers agree to provide information to the Business Service Representative about any problems that could lead to termination. Employers agree to help the Business Service Representative correct or mediate the matter. Employers should notify the Business Service Representative before terminating an OJT trainee if possible. When advance notice is not possible, employers must notify the Business Service Representative within 3 days of dismissal.

What rules apply to employees who are training under OJT Agreements?
A person who is trained under an OJT Agreement must have their eligibility determined by staff of the Lower Savannah SC Works Center before beginning OJT. WIOA OJT employees are subject to the same personnel rules, policies, working conditions and benefits as regular employees hired by the employer.

What if the employee gets hurt on the job? All federal and state health and safety standards apply to working conditions of individuals trained under an OJT Agreement. Individuals trained under OJT are employees and are entitled to the same working conditions, benefits and rights as similarly employed workers. Additionally, the state of South Carolina carries an insurance policy for all WIOA participants enrolled in any type of training so OJT participant's injuries would be covered under this policy for the duration of the OJT contract.

What rules apply to Employers who participate in OJT Agreements?
By signing the OJT Agreement, the Employer understands and agrees to the following provisions:

- **SC Works Online Services**: All employers receiving WIOA funding must be registered in SC Works Online Services (SCWOS)

- **W-9 Submission:** Employer must submit a copy of W-9 to Lower Savannah Council of Governments (LSCOG)

- **Comparable Treatment:** Employers who sign OJT Agreements are required to provide wages (including periodic increases), fringe benefits, and working conditions to approved trainees at the same level as similarly situated employees who have similar training, experience, and *skills. Note: {pay rates must meet State and local minimum wage laws, and not be less than the highest minimum wage under the Fair Labor Standards Act of 1938 as amended}* Wages are paid through the employer's usual and customary pay procedures. For the purpose of the OJT Agreement, wages do not include tips or commissions. The employer agrees to be solely responsible for the trainee's payroll taxes and fringe benefits.

- **Technical Assistance/Follow-up:** BSR's will assist the employer and the WIOA trainee during the OJT Agreement. The BSR shall make periodic visits to the employer, as needed, to help the employer and trainee ensure successful completion of OJT and provide follow-up assistance after the completion of training. The OJT Provider will help trainees retain and advance on the job. The employer agrees to allow Business Service Representatives reasonable access to trainees for this purpose and to cooperate and support the Business Service Representatives in their efforts to assist trainees.

- **Subcontracts:** The employer shall not subcontract or assign training duties to other entities under the OJT agreement.

- **Record Keeping:** The Employer will make trainee payroll and time and attendance records available to the OJT Provider to support any amounts reimbursed under the OJT Agreement. All records supporting OJT payments must be maintained for at least three years. In the event of costs being questioned in an audit, records must be kept until the audit is resolved.

- **Limits**: Companies/Employers are limited to eight (8) OJT agreements per quarter (July – June) in a given program year. OJT placements may be restricted, reduced, or halted based on available funds to support such activities.

- **Retention Track Record:** Employers with good track records of training and retaining employees will be eligible to be considered for additional OJT Agreements. If the job retention rate drops, the employers and OJT Provider should attempt to work together to fix the problem. If retention does not improve, current OJT Agreements may be terminated, and new Agreements will not be written with the Employer.

- **Modifications or Terminations:** The OJT Agreement may be modified or terminated by mutual agreement of both parties. Failure on the part of the employer to comply with the Agreement and provisions of this Handbook constitutes grounds for immediate cancellation of this or any future OJT Agreement.

- **Insurance and Bonding:** The employer agrees to provide Worker's Compensation and State Unemployment Insurance benefit coverage, and other applicable coverage when it is required by federal and state laws.

- **Prohibition of Discrimination:** No individual shall be excluded from the benefits under this Agreement because of race, color, religion, sex (except as otherwise permitted under title IX of the Education Amendments of 1972), national origin, age, disability, or political affiliation or belief.

- **Grievance Procedure:** The Lower Savannah Workforce Development Board has established and maintains a procedure for grievances or complaints from participants and other interested or affected parties alleging violations of the requirements of WIOA. The procedure provides an opportunity for a hearing within 60 days after filing the grievance or complaint. The employer agrees to comply with this procedure for any grievances or complaints from participants and other interested or affected parties under this Agreement.

- **Health and Safety Americans with Disabilities Act (ADA):** The Employer agrees to provide a healthy and safe work environment and agrees to maintain the training site in full compliance with the ADA and OSHA Regulations.

- **Limitations on Activities That Impact Wages of Employees:** Employers shall not use reimbursements under this Agreement to pay wages of employees during their participation in economic development activities provided through a statewide workforce investment system.

- **Displacement:** Employers shall not displace any currently employed employee with an employee trained under this Agreement. Displacement includes partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits. An OJT participant cannot be employed and trained under this Agreement in any job or any substantially equivalent job if another person is on layoff from that job. Training under this Agreement may not infringe in any way upon the promotional opportunities of currently employed individuals.

- **Prohibition on Impairment of Contracts:** Training under this Agreement cannot impair any existing contract for services or collective bargaining agreement.

- **Limitation on Use of Funds** - No funds available under the Agreement shall be used for employment generating activities, economic development activities investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, and similar activities that are not directly related to training for eligible individuals. Employers shall not use funds for foreign travel under this Agreement.

- **Relocating Establishment:** An employer whose relocation of facilities or portions of facilities resulted in loss of employment by any employee at the original site may not participate in OJT until 120 days after commencement of operations at the relocated site.

- **Sectarian/Political Activities Prohibited:** The employer agrees not to use any funds received under the OJT Agreement for religious instruction, worship, or to promote political activities.

- **Hold Harmless:** The Employer shall hold the Lower Savannah Workforce Development Board, Lower Savannah Council of Governments, their officers, agency employees, and funding sources harmless for all liabilities and claims of any kind. This includes costs and expenses on account of any suits or damages including death, sickness, or injury to persons or property from any cause whatsoever arising from or connected with the operations or the services of the employer, his agents, or representatives of employees. The employer shall assume full liability for any adverse claims (including back pay judgments) originating from complaint, non-compliance, fraud, negligence, or abuse found against the employer.

- **Debarment and Suspension:** The employer will contact the LSCOG through the BSR within three days if it is debarred or suspended from receiving federal funds.

- **Drug Free Workplace Regulatory Requirements** - The employer will abide by requirement specified in the Drug-Free Workplace Act of 1988, Public Law 10-690, Title V, Subtitle D; 41 U.S. Code 701.

- **Expiration of Contract-** Contracts expire when the number of the weeks outlined in the contractual agreement are completed.

About this Handbook

This Handbook supersedes all local policies and OJT procedures and forms issued prior to September 7, 2021. The Handbook is both a guideline for carrying out OJT Agreements and a technical guide/training tool for OJT Providers. The OJT guidelines contained in the Handbook apply to eligible WIOA Adult, Dislocated Workers and Youth participants and Intensive Services OJT Providers