

PARTNER WORK

WIOA INCUMBENT WORKER TRAINING POLICY

Purpose

The purpose of this policy is to articulate how Incumbent Worker Training (IWT) training funds are to be administered in Pittsburgh and Allegheny County under the Workforce Innovation and Opportunity Act (WIOA).

Affected Parties

This policy applies to all Pittsburgh/Allegheny County Adult and Dislocated Worker participants who will participate in IWT. Pittsburgh/Allegheny County WIOA Title I Adult and Dislocated Worker staff and Partner4Work staff are responsible for implementing this policy. Requirements for employers participating in IWT are clearly outlined in this policy.

References

- WIOA Section (3)(44)
- WIOA Section 134(c) (3)(h)
- 20 CFR 680.530
- 20 CFR 680.780-820
- Partner4Work Eligible Training Provider List policy and procedures
- Partner4Work Eligibility Policy

Definition of Key Terms

An “**Incumbent Worker**” is defined as an individual who has an established employment history with the employer for 6 months or more.

The term “**Incumbent Worker Training**” means training by an employer or training provider in close partnership with an employer that is provided to a paid participant while engaged in productive work in a job that:

- a. Provides knowledge or skills essential to the full and adequate performance of the occupation.
- b. Provides reimbursement to the employer for the costs of providing the training and additional supervision related to the training.
- c. Is limited in duration as appropriate to the occupation for which the participant is being trained.

Incumbent Worker Training is intended to meet the requirements of an employer or group of employers to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment.

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Eligibility Requirements

Participant Eligibility

For an individual to qualify for IWT, he/she must:

1. Be currently employed and in need of additional training to avert a layoff or be retained with the employer;
2. Have an established employment history with the employer for six (6) months or more;
3. Earn less than \$20.00/hr.; and
4. Have enrolled with PA CareerLink® Pittsburgh/Allegheny County WIOA Adult or Dislocated Worker programs.

Employer Eligibility

Potentially eligible employers able to participate in IWT contracting include: private-for-profit businesses, private non-profit organizations, and public sector employers. An employer will not be eligible to receive WIOA IWT training reimbursements if:

1. The employer has any other individual on layoff from the same or substantially equivalent position.
2. The IWT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours.
3. The same or a substantially equivalent position is open due to a hiring freeze.
4. The positions are for seasonal employment.
5. The employer is a private for-profit employment agency, i.e. temporary employment agency, employee leasing firm, or staffing agency.
6. The position is not full time, i.e. minimum of 32 hours per week.

Occupational Eligibility

IWT dollars must be used on High Priority Occupations (HPOs) which lead to employment opportunities enabling the participant to become economically self-sufficient and which will contribute to the occupational development and upward mobility of the participant. At the time of completion of the IWT program, individuals must be employed in occupations that meet the following criteria:

1. Hourly wage must be at or above the self-sufficient wage or the employee's starting wage, if starting wage was higher than the self-sufficient wage;
2. Occupation must be listed as a High Priority Occupation on Partner4Work HPO list; and
3. The occupation must be a full time permanent position following the training (minimum of 32 hours per week).

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General WIOA Incumbent Worker Training Requirements

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1. WIOA IWT contracts shall not be made with employers who have previously exhibited a pattern of failing to provide IWT participants with continued long-term employment with wages, benefits and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.¹
2. When funds are available, WIOA IWT contracts may be written for eligible individuals when:
 - i. The employee is not earning at more than \$20/hr. Priority in funding will be given to those individuals not earning a self-sufficient wage² as determined by the Partner4Work's Self Sufficiency Policy.
 - ii. The IWT is necessary to meet the requirements of an employer or group of employers to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment.³
3. It is the expectation of Partner4Work that companies that use IWT funding will maintain the employment of the individual receiving the training as a full-time employee provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work for at least six months following the training.
4. WIOA funds may not be used in conjunction with Pennsylvania Department of Education customized training program.
5. IWT contracts will typically not be written for low skill jobs that generally would require little or no training.
6. IWTs should only be awarded to companies in Construction, Financial Services, Healthcare, Information Technology, Manufacturing, Public Sector and Education, Retail and Hospitality, and Transportation and Logistics.
7. Per WIOA regulations (20 CFR 683.200(g)), "no individual may be placed in an employment activity if a member of that person's immediate family is directly supervised by or directly supervises that individual." For the purpose of this policy, the term "immediate family" includes a spouse, child, son-in-law, daughter in-law, parent, mother-in-law, father-in-law, sibling, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, and grandchild.

Incumbent Worker Training Length

The maximum time frame for an IWT is 6 months. Duration of an IWT is a function of training needed, not the maximum allowed under this policy. Business services staff should consult with the employer and utilize Occupational Information Network's (ONET) Specific Vocational Preparation Range (SVP) to determine the appropriate occupational training needed. Using the SVP provided by ONET, the following duration times are recommended in addition to the participants past skill and experience.

¹ 20 CFR 680.700

² Self-sufficient wage for the current program year.

³ 20 CFR 680.790

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LEVEL	TIMEFRAME
Level 1	<1 month
Level 2	1 month
Level 3	>1 month - 3 months
Level 4	>3 months - 6 months
Level 5	>6 months
Level 6	>6 months
Level 7	>6 months
Level 8	>6 months
Level 9	>6 months

WIOA Incumbent Worker Training Funding Levels

Employers participating in IWT are required to pay the non-federal share (hereafter referred to “employer share”) of the cost of providing training to their incumbent workers, per the sliding scale outlined below.⁴ A maximum of \$5,000 per trained worker is permitted under this policy. Partner4Work will consider exceptions to the cap on training funds and the reimbursement schedule below.

The employer share may be provided in cash or in kind and may include the wages paid by the employer to a worker while the worker is attending the incumbent worker training program.

The level of Partner4Work reimbursement to the employer is determined by the employer size:

1. 50 or fewer employees = 90% of the cost of training for the employer, up to \$5,000 per Incumbent Worker participant
2. 51-100 employees = 75% of the cost of training for the employer, up to \$5,000 per Incumbent Worker participant
3. 101 and more employees= 50% of the cost of training for the employer, up to \$5,000 per Incumbent Worker participant

Employer size is determined by the number of employees at the time of the execution of the Incumbent Worker Training contract.

Partner4Work WIOA incumbent worker funds may not be used to pay for the wages of workers being trained. Funds provided under this program may be used for the cost of providing the training, including the cost of developing the training or fees for the training program or training provider.

Employer Requirements

With assistance from Partner4Work staff, participating employers must guarantee that:

1. All participants shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work. This will

⁴ 20 CFR 680.820

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include UC coverage where the employer is normally required to provide such coverage to its employees.

2. The position provides the participant benefits per company policy (i.e. insurance, paid leave, profit sharing) other than those required by law.
3. Employees who have financial responsibilities related to the receipt and disbursement of funding under the Agreement shall be covered by fidelity bonding.
4. The training to be provided will be in accordance with WIOA 181(a)(1)(A) and 683.275 for wage and labor standards. Worker protection requirements are set forth in WIOA Sections 181(a) (1) (A) and (B), (b) (2), (3), (4) and (5) and 188.
5. The employer agrees to cooperate with monitoring efforts as required by WIOA legislation and adhere to all other applicable local, state, and federal rules and regulations.
6. Funds are not used to directly or indirectly assist, promote or deter union organizing.
7. The employer agrees to respond to Partner4Work/PA CareerLink® Pittsburgh/Allegheny County staff requests for wage and retention information of participants.
8. The employer commits to retain the trained employees for a period of a minimum of six months following the completion of training. Failure to do so may result in the employer being ineligible to receive further Partner4Work training funds for a period of one year.
9. If the participating employer(s) has recently relocated, resulting in the loss of employment of any employee of such business at the original location in the U.S., incumbent worker training contracts may not be granted to the employer until after 120 days have passed since the relocation.

Policy Exceptions:

Under limited circumstances, Partner4Work may grant exceptions to requirements within this policy. Requests for exceptions may be submitted to asmith@partner4work.org (Adult/Dislocated Worker Programs) or mchristiansen@partner4work.org (Youth Programs). Requests should include the following:

- The specific policy requirement for which an exception is being requested;
- A clear summary of the exception being requested and the reason for the exception; and
- For WIOA programs, the Participant ID of the participant(s) for which an exception is being requested. For non-WIOA programs, the full name of the participant(s) for which an exception is being requested; or
- The name and FEIN of the business customer for which an exception is being requested.

Exception requests will be reviewed based on their allowability under WIOA and any other applicable legislation, regulation, and policy/guidance. Partner4Work will also consider funding availability, how an exception will lead to improved outcomes for the customer(s) being served, and other relevant factors.

Effective Date: September 11, 2020

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Policy Updates

Date	Update
09/11/2020	Added process for requesting an exception to a requirement(s) of this policy.