On-The-Job Training (OJT) Employer Reimbursement

- OJT is defined at WIA Sec. 101(31) and further discussed at 20 CFR 663.700, 667.268 and 669.420:
    - Occupational training by an employer provided to a paid participant while engaged in productive work in a job;
    - Provides knowledge or skills essential to the full and adequate performance of the job;
    - Limited to the period of time required for a participant to become proficient in the occupation, taking into account:
        - ✓ Skill requirements or the occupation and content of the training,
        - ✓ Academic and skill level of the participant,
        - ✓ Participant's prior work experience,
        - ✓ Individual service strategy/employment plan.
    - OJT contract provides for reimbursement to the employer of up to 50 percent of the wage rate for the *extraordinary* costs of providing the training and additional supervision related to the training.
    - Must not contract with an employer who has exhibited a pattern of failing to provide OJT participants with continued long-term employment.
    - Must not contract with a business that has relocated from another U.S. location where there was a related job loss until business has operated in new location for 120 days.

<u>Waiver Authority</u>

- ETA has granted states a waiver to allow local areas to increase the reimbursement provided to employers above the statutory 50% limit.

- Reimbursement is established on a sliding scale based on employer size:
    - Up to 90% reimbursement for employers with 50 or fewer employees.
    - Up to 75% reimbursement for employers with 51-250 employees.
    - For employers with more than 250 employees, the statutory 50% limit will apply.

- Required elements of a waiver plan/request are defined at WIA Sec. 189(i)(4)(B) and 20 CFR 661.420(c).

- Justification portion of the waiver request should discuss:
    - How OJTs align with sector strategies outlined in the state plan.
    - How OJTs will be used as part of a dual-customer focus (as opposed to focusing on the business customer only).