



## ON-THE-JOB TRAINING (OJT) POLICY AND PROCEDURES

### I. PURPOSE:

To provide information and direct the implementation of Employment Training (OJT) opportunities subsidized with funding from the Workforce Innovation and Opportunity Act (WIOA) for eligible participants of the Adults, Displaced Workers and Youth programs include the specific criteria to increase the amount that is reimbursed to the Patrono for conception or salary of participants of this activity to more than 50%.

### II. BACKGROUND:

On-the-Job Training (OJT) is a training option that gives the Employer the opportunity to train new employees (Participants) in the skills and knowledge specific to the essence of full and adequate performance on the job. The OJT is a structured training provided by a public or private sector employer with or without profit. OJT's opportunities are made through a contractual agreement between the Employer and the Local Area for Labor Development Mayagüez - Las Marías, who will offer the Employer a partial reimbursement of the salary, typically up to 50% of The participant's salary, including the out of the ordinary costs of providing training and supervision related to it. However, Section 134(c) of WIOA authorizes Local Boards to reimburse Employer up to a maximum of 75% of the salary of an OJT Participant, after considering the factors listed in the proposed rules in 20 CFR 680.730 and this policy.

On-Site Training is an integrated retention program. The Participant begins the activity of OJT as a full-time employee of the company that has agreed to offer training in its facilities and retain him in long-term employment, once the Training is completed. The rate of wages, marginal benefits, periodic wage increases, and the working conditions offered to the Party shall be the same as those employed in similar positions with the same employer and shall be in accordance with the

Section 6(a)(1) of the Fair Labor Standard Act (29)


U.S.C. 206(a)(a) or applicable local or state minimum wage eyes.

### **III. POLICY:**

Employment Training must be provided through a contract that provides the Participant with the opportunity for structured training to obtain the knowledge and skills necessary to be competent in the job for which he or she is recruited. Such contract must be completed and signed by all parties before the Participant commences on-the-Job Training.

On-the-job training may be subsequent to other services offered by the WIOA program, such as Work Experience, classroom training, or basic skills training.

#### **A. The eligibility of participants:**



On-the-Job Training Participants must meet the eligibility requirements of each grant source, for example: Adult, Displaced Worker and Youth Programs subsidized with WIOA funds. Participants must have met the eligibility requirements to receive services under WIOA. In the evaluation of the participant and in the development of the individual strategy of services carried out by the Case Manager, it will be identified, jointly with the participant, how appropriate the OJT activity is for him/her. It should be considered whether the Participant possesses the interest, aptitude, and skills to achieve the specific requirements of the Employer who offers the Training.

#### **B. On-the-Job Training for Individuals:**

An On-The-Job Training may be permitted for incumbent employees when:

- The employee does not earn a salary that allows him to be self-sufficient.
- It complies with the provisions of the Policy for the Provision of Training Services to incumbent Workers of the Adult and Displaced Workers Programs, of the ALDL.
- All other requirements of this policy are met; and
- Training is related to the introduction of new technologies or new production procedures or services, or to obtain a promotion to a position that requires additional skills, or literacy in the workplace (as stipulated in 20 CFR 680.710)

### C. Employer Eligibility:

The Employer of an On-the-Job Employment Training:

- Must be registered with the Treasury Department and have an employer account in the Department of Labor.
- Must be up to date on their Unemployment Insurance payments or be complying with a payment plan.
- It must have financial solvency to cover the OJT's contractual opportunities until the end of the training and for the two months covered by the retention period carried out by the OJT. It must also have an adequate system of payroll recording hours worked, gross income, deductions, and net payment.
- It must not have relocated its functions within the last 120 days if the relocation resulted in loss of employment in the previous locality (as stipulated in 20 CFR 683.260).
- Must not displace any current employee or alter their opportunities for promotion, nor should fire any regular employee or reduce the workforce of the company with the intention of hiring OJT Participants (as stipulated in 20 CFR 683.270).
- Must not be involved in any labor dispute, nor have any employee in severance status act, nor have dismissed employees for the past 120 days from similar or substantially equivalent positions. A waiver for the period of 120 days may be granted if there are mitigating circumstances duly reviewed and approved by the Executive Director of the Local Area.
- It must not alter any existing service contracts, or agreements embodied in collective agreements. In the event that the On-The-Job Training is inconsistent with any agreement within a collective agreement, the Employer must obtain written consent from the corresponding labor organization before the Training begins (WIOA Sec. 181 (a)(2)(B)). In addition, the Employer must attest that the OJT agreement did not support, promote, or impede the organization of unions (20 CFR 680,850).
- Must not allow OJT Participants to participate in the construction,



maintenance or operation of facilities used to carry out sectarian activities or as a place of worship (WIOA Sec. 188 (a)(3)).

- Do not unlawfully discriminate in its recruitment or training activities on the basis of race, color, sex, ethnicity, religion, disability, belief, or political affiliation (WIOA Sec. 188 (a)(3)).

An employment training contract must not be entered into with an Employer who has previously shown an employer not to offer long-term continued employment to OJT Participants (as provided in 20 CFR 680. 700(b)).

#### **D. Employer Reimbursement Rate**

The rate of reimbursement to the Employer for regular wages fluctuates from a minimum of 50 per cent to a maximum of 75 per cent. In order to determine the reimbursement rate, the number of employees held by the employer shall be taken into account, as described in the following terms:

- A maximum of 50% reimbursement to large Employers (having 100 or more employees)
- A maximum of 65% reimbursement to medium Employers (who have from 51 to 99 employees)
- A maximum of 75% reimbursement to small employers (ranging from 1 to 50 employees)

This provision is subject to the availability of funds.

Regardless of the applicable refund rate, the following factors must be taken into account prior to the approval of an OJT:

1. The characteristics of the Participants, emphasizing the barriers to employment as defined in Section 3(24) of WIOA and listed in Annex A.
2. The quality of the training provided by the Employer (i.e., an industry with recognized credentials, opportunities for growth).
3. The number of Participants that the Employer agrees to sponsor.
4. The salary and level of benefits that the Participant will have (both during the OJT and after completing it).
5. If the place in the OJT is an occupation in demand, as defined in Section 3(23)



of WIOA and determined by the information of the labor market of the Local Area.

6. If the Employer offering the OJT is:
  - a. An industry in demand, as defined in Section 3(23) of WIOA and protected by the information of the labor market of the Local Area; or
  - b. An industry on a mature stage, as determined by the labor market formation of the Local Area; or
  - c. An industry in decline, but there are reasonable motives (for example: evidence of long-term viability) that justify a reimbursement greater than 50%.

Each of the factors described above that lead to the approval of an Employment Training must be documented and be part of the contract file.

**E. *Registered Apprenticeship(RA) Programs:***

Employment Training contracts may be formalized with Registered Apprenticeship Programs or with Employers who participate in these, for the Employment Training section of said programs.

**F. The On-The-Job Training Contract :**

Each Job Training opportunity must include a contract (agreement) with the Employer and a Training Outline for the Participant. The contract must include everything required by WIOA rules and regulations; the occupations, skills, and competencies to be learned and the duration of the Training to be provided. Modifications to the contract must be in writing, dated and signed by all parties prior to the effective date of the modification. Verbal modifications will not be valid.

**G. Cost per Participant:**

The refund for OJT activities must comply with the parameters established in TEGL 13-15, issued by ETA on February 23, 2016, entitled: *"On the Job Training (OJT) Wage Caps and Reimbursement Rate Waivers for Job Driven, Dislocated Workers Training, and Sector Partnership National Emergency Grants (NEGs)"* and subject



to the availability of funds and the need for training of the Participant, the Mayaguez - Las Marías Labor Development Local Area limits training costs to \$5,000 for entry-level jobs, defined as the Federal Minimum Wage, and \$10,000 for higher wages, defined as higher wages than those at the initial level. Training costs in excess of these limits must be approved by the Executive Director of the Local Area, under special circumstances. Regardless of the hourly wage, the duration of the training is limited to not less than four (4) weeks and no more than twenty-six (26) weeks. The duration of the training must be in line with the estimates of the "Specific Vocational Preparation" (SVP) of the Department of Labor Federal.

WIOA Participants who have used the maximum permitted by the most recent Training Account Policy (ITA) of the Area Local, may also qualify for an OJT with the cost and duration limits described above.

**H. Over time for Job Training in Employment:**

Payments for On-the-Job Training may only be made for regular hours paid by the Employer. No payments shall be made for overtime, shift payments, premium payments, and other non-regular payments. This does not prevent a Participant from working overtime; however, reimbursement to the Employer will be made on the basis of the regular wage rate.

**I. Determination of the Duration of the Training:**

The training period will be limited to the time required for a Participant to be competent in the position as related to the Training Plan. The Mayaguez - Las Marías Local Area limits the duration of the training to no less than four (4) weeks and no more than twenty-six (26) weeks. The duration of the training is negotiated with the Employer based on the skills that the Participant needs to develop to perform his work at a level comparable to that of an employee that the Employer hires without the need for an OJT. A longer time limit may be established using estimates in the "Specific Vocational Preparation" (SVP) for occupations in the Federal Department of Labor (<http://www.occupationalinfo.org/appendxc1.html#II>).

**IV. PROCEDURES**

**A. Participant's Case File:**

All documentation related to the selection of a candidate for an OJT opportunity, as well as the development and maintenance of the Training Plan of each Participant of an OJT, must be included both in their physical and in their electronic file. Participants' records must be available so that federal, state, and local auditors can verify that the participants meet all applicable requirements.

**B. Employer's file:**

The Local Area shall maintain an individual file for each Employer offering On-the-Job Training, which must include the checklist used to verify the Employer's eligibility. The Records of the Employer must be available so that federal, state, and local auditors can see and verify that they comply with all applicable requirements.

**C. Monitoring and / or Follow up of the Project:**

Monitoring at the local, state, and federal levels must include the inspection of the training carried out by the Local Area and the corresponding payroll records of the Employer.

Visits to follow up and monitor the training center must be carried out by the Program Technician shortly after the Participant has begun work. Additional visits should be planned at appropriate intervals (as determined by the OJT Training Plan).

The effective monitoring will also include the review of communications with the Employer, including invoices for reimbursement and all documentation required to support such invoices.

Program Technicians should regularly review each Participant's progress in achieving program objectives and service strategy, including the acquisition of basic and occupational skills and the adequacy of support services provided that relates to the OJT. Any deviation from the provisions of the OJT contract must be handled and documented immediately.



**D. Exceptions:**

Any exception to this policy must be approved by the Executive Director of the Local Area or her authorized representative and documented in both the File of the Participant and the Trustee. Exceptions may be allowed with: Employers who have recently established themselves in the Local Area, Employers with employees who have been furloughed for less than 120 days, training plans that exceed the cost or time limit, or any other provision within the policy that is not contained within WIOA or its regulations.

**E. DEFINITIONS:**

- 1. Employment Training Agreement or Contract:** The Employment Training Contract or Agreement must contain all the basic requirements, including applicable laws, regulations, and policies; outline all steps relevant to the implementation of training; and must be specific to the Training Plan. At a minimum, it must include an extensive group of general provisions (Terms and Conditions) that




ensure compliance with all WIOA rules and regulations; occupation, skills, and competencies to be learned; as well as the amount of time the training will last. All parties, including the Local Area, the Employer, and the Participant, must sign the agreement before starting the OJT.

2. **Participant:** An individual who, after submitting all the documents required to determine eligibility, meets the criteria established to receive services under the WIOA Act programs. This individual must go through an individualized evaluation process and together with his Case Manager to develop the Individual Employability Plan (IEP) that demonstrates the relevance of the OJT. The Participant in Employment Training must have demonstrated the skills, abilities, and interest to successfully participate in an On-The-Job Training with a specific Employer.
3. **OJT Training Outline:** The OJT Training Outline must contain the description of the occupation and the training outline must be sufficiently specific to allow verification that the training is being provided as agreed. This outline is unique for each occupation submitted in the proposal and it details the tasks to be performed during the activity, the skills to be learned, the hours of training.

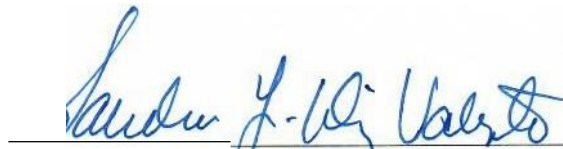
**V. APPROVAL AND VALIDITY**

This public policy will be effective immediately after its approval. It will be the responsibility of the Executive Director to inform the staff within five (5) days of its

  
ÁNGELA A. SAN MIGUEL HERNÁNDEZ  
President Local Area

Board for Labor

Development

  
Sandra I. Díaz Valentín  
Secretary Local Area

Board for Labor

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DATE



## **AMERICAN JOB CENTER**

### **AMENDMENT TO THE ON-THE-JOB TRAINING (OJT) POLICY**

#### **INTRODUCTION**

The Workforce Innovation and Opportunity Act (WIOA ) is designed to help job seekers access employment, education, training, and support services to be successful in the labor market and match employers with the skilled workers needed to compete in the global economy.

The On-the-Job Training Activity (OJT) aims to provide participants with training, through an employer in the workplace, for which they receive salary compensation.

On June 12, 2018, the secretary of the Federal Department of Labor approved a waiver at the request of the Labor Development Program, to increase the reimbursement to employers for the activity of Training in Employment (OJT), up to **90%**. On December 14, 2018, the Labor Development Program sent authorization to implement the waivers.

#### **I. LEGAL BASIS**

Workforce Opportunity and Innovation Act (WIOA), Sections 3(44) and 134(c)(3)(H) (i)

"Federal Register" Vol. 81 No. 161, Sections 680.700, 680.710, 680.720, and 680.730

"Training and Employment Guidance Letter (TEGL) WIOA NO. 19-16 issued by the Training and Employment Program attached to the Federal Department of Labor on March 1 , 2017.

Statement issued by the Labor Development Program dated June 29, 2018, Notifying the Approval of Dispensation

Communication issued by the Labor Development Program dated December 14, 2018,  
Notifying the Authorization for the implementation of Dispensations.

## **II. DEFINITION OF 'ON-THE-JOB TRAINING'**

The term "training in employment" or OJT, as this activity is known by its English acronym, refers to the training offered by an employer to a participant who receives compensation for the training while carrying out productive work which:

- a. provides essential skills for the execution of the work for which it is being trained.
- b. it is available through a program that reimburses the employer 50% of the participant's salary. The reimbursement may be greater than the provisions of Section 134(c) (3) (H), for extraordinary costs in offering additional training and supervision related to the training.
- c. the duration of which is limited to the time necessary to obtain the knowledge related to the occupation for which it is being promoted, this taking into account the content of the training, previous employment experience, and education of the participant, as appropriate.

## **III. MAXIMUM REFUND OF 90%**

Under the approved waiver, employers may receive up to **90%** of the reimbursement of employees' wages. The percentage shall be calculated by taking into account the number of own **and full-time employees** of each employer. The following scale will be used, as approved:

For employers with 50 employees or less up to 90% reimbursement;

For employers with 51-250 employees up to 75% reimbursement.

For Employers with more than 250 employees - the statutory reimbursement of 50%.

It remains as a maximum wage to be refunded, of **\$ 13.23** per hour, which is the average salary per hour in Puerto Rico. This means that if a participant earns less than **\$13.23** an hour, the employer receives a refund of **90%** of the amount earned by the participant. If the participant earns more than **\$ 13.23** per hour, the employer will receive a refund of **90%** calculated on the basis of **\$ 13.23** which is the salary limit for the purposes of reimbursement.

In order to quantify this maximum amount, which is an exception to 50%, the administrative body of the Title 1-B fund must consider the following factors:

- Participants characteristics (time that has been unemployed, current skills, barriers to obtain employment).
- The training provided by the employer and the opportunities for professional growth it provides.
- Occupations of difficult recruitment.

It will be a public policy of this Board to give priority to micro-enterprises, small and medium-sized enterprises in the Region, in such a way that we can increase our share in the activity of on-the-job training. Pursuant to this policy, and in accordance with Law Num. 62 of 2014 known as the *Law of Support for Microenterprise and Small and Medium Enterprises Merchants*.

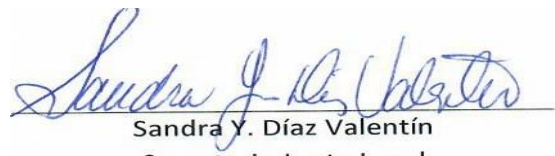
#### IV. SPECIAL PROVISIONS

Employers who hire able to work persons with disabilities, who are able to work and who have a history of work shall be entitled to 90% of the salary of the employer who fulfils the employment of the employer. On these criteria, in this particular case, the company's size will not be considered.

#### V. APPROVAL AND VALIDITY

This Public Policy is effective immediately after its approval. Is the responsibility of the Executive Director to inform the personal, within five (5) days subsequent to its approval.

  
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José A. Justiniano Rodi  
Presidente Junta

  
\_\_\_\_\_  
Sandra Y. Díaz Valentín

Secretary Local Board

22 de enero de 2019

Date