

## ON-THE-JOB TRAINING

On-the-Job Training (OJT) is provided by an employer to a paid participant engaged in productive work and enrolled in the Trade Adjustment Assistance (TAA) and WIOA Title I Adult, Dislocated Worker, or the Youth programs. An OJT provides knowledge or skills essential to the performance of the job and may be completed in conjunction or sequenced with other One-Stop services.

A participant is hired by an employer and provided training while on the job. The employer is reimbursed at the designated rate for the participant's customer group. 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 not required to document such extraordinary costs. The wages of incumbent employees during their participation in the OJT is not allowed as an expense under WIOA Title I.

In exchange for compensation, the employer will provide the extraordinary costs of the training, additional supervision related to the training, and the necessary equipment and training for the job. Training is provided by the employer under an agreement outlined on the Work-Based Training Plan Agreement [Form 19A](#) and limited to the period of 320 hours. Trade Adjustment Assistance program is an exception to this timeline, see Trade Adjustment Assistance [Policy 5.40](#). The website [onetonline.org](http://onetonline.org) may be used as a resource to outline specific tasks and duties of the job on Work-Based Training Plan Agreement [Form 19A](#).

Any method of communication is adequate to make the employer aware of a potential OJT. A phone call is the preferred method. If a letter is necessary, please refer to the On-the-Job Training Letter [Resource 6](#).

The intent of the OJT program is to assist workers in developing skills leading to occupations providing adequate wages that ensure self-sufficiency. For this reason, OJTs are typically written for occupations with higher skills categories. OJTs may be written for full-time or part-time hours.

### ELIGIBILITY AND PRIORITY

OJTs are considered a type of Youth Work Experience. Twenty percent of a state's total WIOA Title I Youth allotment after subtracting the administrative costs must be spent on Work Experiences for In-School and Out-of-School Youth. This 20% may include staff time utilized to develop, manage, or monitor a Work Experience as identified under Youth Priority of Service.

Refer to Eligibility and Priority of Service for Wagner-Peyser, Adult, Dislocated Worker, QUEST, Youth, and SCSEP [Policy 4.1](#).

#### ***Registered Apprenticeships***

Training agreements may be entered into with Registered Apprenticeship Program (RAP) sponsors or employers participating in a RAP for the training portion of the program. This component is called On-the-Job Learning for an apprentice.

#### ***Employed Worker OJT Eligibility***

OJTs may be entered into with eligible employed workers when:

1. The employee is not earning a self-sufficient wage or wages comparable to or higher than wages from previous employment, in accordance to state policy;
2. The requirements listed above 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, or workplace literacy.

## EMPLOYER ELIGIBILITY

OJT contracts may be entered into with private-for-profit businesses, private non-profit organizations, and public sector employers prior to a participant starting the new job. The employer must hire the participant, and an employer/employee relationship must be maintained through the course of the training period with the expectation that the employer retains the participant after the training period concludes.

Occupations based on commission or piece rate as the primary compensation or seasonal in nature are not appropriate for OJT.

Employers offering OJTs are exempt from the Eligible Training Provider List (ETPL) requirements.

The Employer is required to have an account in SDWORKS. For more information on SDWORKS employer accounts, review SDWORKS Employer Accounts [Resource 30](#) and SDWORKS Employer Verification [Policy 8.3](#).

An OJT cannot be entered into with an employer if, under previous contracts under WIOA or the former Workforce Investment Act of 1994 (WIA), the employer exhibited a pattern of failing to provide participants with continued long-term employment as regular employees with wages and employment benefits (including health 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.

If an OJT site is not in South Dakota, but in a bordering state, the training site needs to be within the commuting distance (approximately 60 miles), so the Employment Specialist is able to complete the Progress Reports.

## LENGTH OF TRAINING AND REIMBURSEMENT RATE

An OJT program is not intended for long-term continued training within the occupation. An OJT contract must be limited to 320 hours. When determining the number of hours, consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, the participant's Employment Plan, and budget.

For QUEST-eligible participants pursuing a QUEST-eligible OJT, the maximum reimbursement is 75% and the occupation must be in the area of infrastructure, climate/environment, or care economy. For Title I Adult, Youth, or Dislocated Worker and/or a non-QUEST eligible OJT, the maximum reimbursement is 50%. See Eligibility and Priority of Service for Wagner-Peyser, Adult, Dislocated Worker, QUEST, Youth, and SCSEP [Policy 4.1](#).

## PROGRESS REPORTS

Progress Reports must be completed for any type of training that is beyond 30 days using the Work-Based Training Progress Report [Form 19B](#) for OJT. Upload completed progress reports into the SDWORKS document section.

To ensure the program of training is meeting the needs of the participant, the expectation of the training provider and the items outlined in the training plan, the Employment Specialist is required to monitor the training service on a monthly basis. The purpose is to evaluate the progress to date and to identify issues that may be a concern to any party to ensure a successful training.

The initial Progress Report should be an Integrated Resource Team (IRT) with the Employment Specialist, employer and participant. A Work-Based Training Progress Report [Form 19B](#) must be completed and uploaded into SDWORKS monthly.

## **WAGES, PAYMENTS, TIME RECORDS, AND BENEFITS**

The OJT trainee is an employee of the business. The employer is responsible for payment of wages and benefits to the trainee. The employer must provide on-the-job training participants with continued long-term employment or wages, benefits and working conditions that are equal to those provided to similarly situated employees.

WIOA funds are not to be utilized for holidays, sick leave, vacation or overtime hours. Employers will be expected to compensate the trainee for such hours equal to other similarly situated employees and in accordance to state and federal labor law for any overtime hours worked.

Complete a Final Progress Report after the OJT hours are utilized. Confirm the hours tracked by the employer are added up accurately on On-the-Job Training Timecard [Form 20](#). All correspondence and determinations must be documented in SDWORKS. The employer must keep the OJT record of employment and timecard for three years.

If a participant is completing activities that are beyond the scope of the Work-Based Training Plan Agreement [Form 19A](#), it is the responsibility of the employer to pay these wages in full.

### **PAYMENTS TO EMPLOYERS**

Employers will be reimbursed at the rate documented on the Work-Based Training Plan Agreement of an OJT participant. Payment will be released upon completion of the training hours and submission of the OJT payment voucher with all required documentation to the DLR Administrative Services Division (“Fiscal”).

TAA payments to the employer are provided on a monthly basis rather than at the end of the OJT.

If the Employment Specialist is not able to obtain a timecard signature by either the business or the participant within two weeks of the last day worked, explain in the participant’s case notes. The team manager can sign in the place of the business or participant. This timecard can then be submitted for payment.

### **MODIFICATIONS**

Modifications may be necessary to continue OJT services by a change in duration of training or additional need for hours. Modifications to extend the date of the OJT must be approved by the program Labor Program Specialist. Modification cannot include hourly rate increases. Modifications would typically be determined during a progress report. The modification would be mentioned in the comment section of a Work-Based Training Progress Report [Form 19B](#). Add a case note in SDWORKS regarding the changes.

**WIOA Law §3(44), §129(c), & §134(c)(3)  
20 CFR §680.200 - §680.350, §680.700 – §680.750, §681.590, & 681.600**