

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 up to 50% of the wage rate of the participant. 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 19](#) and limited to the period of time (see "[Length of Training](#)" section of this policy).

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 OJT Letter WIOA [Resource 6](#).

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

YOUTH PRIORITY

OJTs are considered a type of a 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 in the Youth Priority [Policy 4.5](#).

PARTICIPANT ELIGIBILITY

A job service office may accept referrals from employers for consideration of a specific individual for an OJT if the individual meets program eligibility. WIOA Title I **Adult and Dislocated Worker** participants must meet training eligibility as identified in the Training Services [Policy 5.8](#).

WIOA Title I **Youth** participants are eligible for an OJT if it is identified as an appropriate service in the Employment Plan.

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**
3. 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.

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

The Employer is required to have an account in SDWORKS and complete [Form 59](#). For more information on SDWORKS employer accounts, review the *SDWORKS Employer Supplement* [WIOA Resource 30](#) and SDWORKS Employer Account Requirements [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.

An OJT site (where the training takes place) could be out of the Employment Specialist’s service area (outside of the counties their office serves), but the Employment Specialist should work with the job service office serving the area where the training site is located to help with the Monitors. 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 Monitors.

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.

LENGTH OF TRAINING

An OJT program is not intended for long-term continued training within the occupation. An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of the contract, 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. Actual training hours will be negotiated between the employer, participant, and Employment Specialist. All determinations must be documented.

Specific Vocational Preparation (SVP) codes are used to calculate the maximum length of time allowable. Occupation specific SVP codes can be found at onetonline.org.

The unit of measure for OJT is based on the number of hours in training over a fixed calendar period. The maximum number of hours for an OJT must not exceed 960 hours (six months).

SVP Code	Maximum Training Hours
2	160 (1 Month or 4 Weeks)
3	320 (2 Months or 8 Weeks)
4	480 (3 Months or 12 Weeks)
5	640 (4 Months or 16 Weeks)
6	800 (5 Months or 20 Weeks)
7	960 (6 Months or 24 Weeks)
8	1120 (7 Months or 28 Weeks)

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.

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

- In cases where the OJT is for a **salaried position**, an hourly rate of pay should be calculated for reimbursement purposes by taking the gross monthly salary, multiplied by 12 then divided by 2080 hours (e.g. \$2,600 x 12 =

\$31,200/2080 = \$15). **Note:** With salaried positions, be sure that paid time off (i.e. vacation, sick, holiday, PTO) is accounted for on the OJT Voucher and not reimbursed.

- In cases where the trainee may receive **two different rates of pay** (e.g. regular rate and shift differential for evening/weekend hours), use the higher wage rate for the total duration to calculate the amount. Extra funds will be de-obligated at the end of the OJT.

Time Records

The employer must have a method to track the employee's time in conjunction with the OJT Timecard [Form 20](#). This record of employment and time must be kept for three years. When completing a Monitor, confirm the employer hour-tracking matches the completed OJT Timecard [Form 20](#).

Payments to Employers

Employers may be reimbursed up to 50 percent of the wage rate of an OJT participant. 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. 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").

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 job service office manager can sign in the place of the business or participant. This timecard can then be submitted for payment.

DOCUMENTATION

All justifications related to the OJT must be in a SDWORKS case note. This **justification note** should include the process to determine the participant need, recommendations from the Employment Specialist, wage rate and the number of hours based on O*Net SVP code. Complete the Conditions and Assurances [Form 10A](#) and the Work-Based Training Plan Agreement [Form 19](#) (page 1 and 2), then scan into SDWORKS to complete the obligation voucher. Ensure all required documentation is complete, legible, and uploaded. Include a summary and date of the **justification note** in the comment box on the Obligation Voucher.

All documentation required for monitoring and time records should be uploaded at the time of the payment voucher request. Monitors can be uploaded into the SDWORKS document section, but the OJT Timecard [Form 20](#) must be uploaded to the Payment Voucher. The approving manager is responsible for ensuring all documentation is uploaded, correct, and legible before authorizing Obligation and Payment vouchers.

Signatures

There must be two signatures from the employer on the Training Plan Agreement [Form 19](#). One of the signatures on the Training Plan Agreement must match the signatory on the OJT Timecard [Form 20](#) certifying the information is correct and is reflective of the employer records, including hours worked and wages paid.

Signatures may not always be the employer, but a qualified person in the employer's office, as long as it matches one of the Business Representative signatures on the Training Plan Agreement.

MONITORING

Monitors must be completed for any type of training that is beyond 30 days using the Work-Based Training Plan Agreement and Monitor [Form 19](#) for OJT. Upload completed monitors 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 Monitor should be an Integrated Resource Team (IRT) with the Employment Specialist, employer and participant in person or by phone with all parties in attendance. Additional monthly Monitors can be completed by phone, email, or in-person as appropriate. A Work-Based Training Monitor from [Form 19](#) must be completed and uploaded into SDWORKS. When completing a Monitor, confirm the employer hour-tracking matches the completed OJT Timecard [Form 20](#). All correspondence and determinations must be documented in SDWORKS

MODIFICATION

Modifications may be necessary to continue OJT services by a change in duration of training or additional need for hours. Modification cannot include hourly rate increases. Modifications would typically be determined during a monitor. The modification would be mentioned in the comment section of a Work-Based Monitor [Form 19](#). 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**