



# On-the-Job Training (OJT)

Department: Office of Economic & Workforce Development

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Supersedes: WIA 104-A

## **PURPOSE**

This policy provides guidance regarding the limitations and eligibility of individuals to participate in On-the-Job Training (OJT) opportunities. Workforce Innovation and Opportunity Act (WIOA) provides for a workforce system that is job driven. OJT opportunities provide structured training for participants to gain the knowledge and skills to be competent in the job for which they are hired, trained and lead to stable employment.

## **REFERENCES**

- [WIOA Section 3\(44\), WIOA Section 134\(c\)\(3\)\(h\)](#)
- Title 20 Code of Federal Regulations (CFR) Section [680.530](#) and Sections [680.700-680.730](#)

## **POLICY**

OJT is a type of training that is provided by an employer to a participant (job seeker). During the training, the customer is engaged in productive work in a job for which the customer is paid, and the training provides the knowledge or skills essential to the full and adequate performance of the job. OJT may be provided by an employer in the public, private non-profit or private sectors. This OJT Policy and Procedures outlines the process to issue, document and track an OJT under the WIOA.

### **Employer Eligibility**

The expectations of the employer during training follows:

- The trainee will actually be “hired” and on the employer’s regular payroll on the first day of training.
- The employer will provide the trainee with training that results in provable skills “competencies” necessary to the job.
- The employer will retain the trainee as a regular employee upon successful completion of the program.

Careful consideration should be given when selecting a suitable employer. General business practice in terms of working conditions (safety, health), presence of health benefits, wage structure, turnover rates, adequate staff, and equipment to carry out the training, and compliance with federal, state, and local laws, etc. are potential indicators to research.

OJT is a “hire first” program; the trainee becomes an employee of the company at the start of the training program however, it may not be someone already on the employer’s payroll, nor be hired prior to the effective date of the OJT contract (unless the trainee meets the requirements for Employed Workers as outlined below). Training may begin after the OJT contract has been signed by all parties.

The employer is required to certify his/her intention to retain the trainee after the subsidized training period if the trainee accomplished the stated training goals outlined in the OJT contract. The OJT must be conducted at the employer's place of business or another site and may not be subcontracted.

### **Service Provider Responsibilities**

The expectations of the Provider during training follows:

- Ensure trainee's eligibility for OJT
- Contact both the employer and the trainee regularly to assess progress
- Coach the trainee regarding any behavioral or performance concerns expressed by the employer
- Complete a site visit at the time of contract negotiation and approximately halfway through the agreed upon length of training and complete the **Site Visit Report** form
- Provide additional support services to the trainee during training as necessary
- Follow up with employer to confirm all competencies have been met at the conclusion of training.

As a local policy, organizations with Job Center contracts are not allowed to hire trainees using OJT funds. Service providers shall establish and utilize appropriate checks and balances necessary to guarantee the integrity of the OJT funding. Service Providers shall ensure systems are in place for the review, approval, and payment/reimbursement of OJT contracts pursuant to current WIOA, State regulations, and OEWD directives, policies, and procedures. Reimbursement amounts to employers utilizing OJT will be based on straight time hours worked in training and will not exceed the maximum allowed under WIOA and/or local policy.

### **Trainee Eligibility**

To be eligible for OJT services, the trainee must meet the below eligibility requirements:

#### Unemployed Workers

- Be enrolled in a WIOA program; and
- Have participated in assessment activities; and
- Have completed an Individual Employment Plan (IEP) that identifies an OJT for the identified occupation as a vocational goal

#### Employed Workers

- Be enrolled in a WIOA program; and
- Not earning a self-sufficient wage (determined by local policy) or wages comparable to, or higher than, wages from previous employer; 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.

#### Required Forms

- OJT Coversheet – *completed by the OJT developers and signed by the OEWD representative*
- Form 122: OJT Training Proposal – *completed and signed by the employer*
- Form 123: Proposed OJT Training Outline – *completed by employer and OJT developer*

- Form 124: OJT Contract Agreement – *signed by the employer and the training fund manager (i.e. manager of the WIOA client's Job Center)*
- Form 125: OJT Worksheet – *signed by the referred WIOA client, the employer, the training fund manager, and the client's Career Advisor*
- Form 126: Mid-OJT Monitoring Guide – *completed by the OJT developer before the end of the OJT contract*
- OJT Completion Evaluation and Employment Verification

#### OJT Amounts and Time Limits

**No individual OJT contract shall exceed a total cost of \$6,000. If an OJT is used in combination with an Individual Training Account (ITA), the sum of all training costs shall not exceed \$6,000 per participant. The length of training for the OJT shall not exceed five (5) months.** OJT contracts require that the wages paid to trainees be at least the prevailing entry wage for the specific occupation in the local labor market, and adhere to local minimum wage guidelines.

#### Ad hoc reports

At any time, OEWD may request ad hoc data reports from providers. Such data requests are often due to requirements from Federal or State entities. OEWD will provide as much notice as possible regarding such requests, given such notice from Federal or State entities.

#### Frequently Asked Employer Questions

*Are there any eligibility requirements for employers?*

Employers must carry Workers' Compensation insurance and make Federal and State Tax withholdings as required by law. In addition, the individual trainee payroll tax records, and receipts for services (if applicable) must be maintained and available for review for a minimum period of three years after the end of the training period.

*How will I find people to hire for OJT positions?*

First and foremost, the individual must be determined eligible by the San Francisco Job Center system and be referred to the employer by the Service Provider OJT Representative, though employers will have the final selection authority over which individuals are hired. Prior to hiring, employers must sign *OEWD Form 125: OJT Worksheet* identifying the individual to be hired. Since OJT is a "hire first" program, the individual becomes an employee of the company at the start of the training program.

*Are there limitations around who I can hire?*

The individual may not be someone already on the employer's payroll, nor be hired prior to the effective date listed on *OEWD Form 124: OJT Agreement*. Training may only begin after the OJT Agreement has been signed by all parties. If training is in an apprentice-able occupation, as determined by the Division of Apprenticeship Standards, the employer must enter into a commitment to provide the approved apprenticeship training. The employer must comply with requirements of the Civil Rights Act with respect to equal opportunity in employment for the OJT position as well as comply with all federal, State, and local laws. Commission only, bartenders, seasonal workers, occupations requiring licensing as a prerequisite for hiring, and for those employed on a project-basis are usually not appropriate for OJT.

*What if I can't find the right eligible individual to hire?*

Funds obligated for training positions that are still unfilled 30 calendar days after the OJT Agreement start date will no longer be held for those positions. Modifications to the OJT Agreement can be made as needed through mutual agreement of the employer and the Service Provider OJT Representative.

*Do I need to keep the individual after the contracted OJT period ends?*

The employer is required to certify their intention to retain the trainee after the subsidized training period, based upon accomplishment of the stated training goals outlined in the OJT Training Proposal and acceptable performance. Trainees hired under this program will be subject to the same personnel policies, rules, and regulations, and accorded the same benefits as the other employees of the company.

*Is there a minimum or maximum salary I must pay?*

OJT contracts require that the wages paid to trainees be at least the prevailing entry wage for the specific occupation in this local labor market. There is no maximum allowed wage, though the employer will only be reimbursed for 50% of the wages as stipulated in the OJT Agreement, not to exceed \$6,000. If the employer operates under a collective bargaining agreement, the wage and benefits must be those specified in that union agreement and the job opening must be cleared with the appropriate union.

*Will I be monitored?*

The trainee's progress under an OJT Agreement will be monitored by the staff of the Service Provider OJT Representative responsible for the development of the OJT Agreement. Each OJT placement must be monitored at least once before completion.

*How will I be reimbursed?*

Employers should prepare *OEWD Form 126: OJT Contract Invoice and Trainee Timesheets* at the end of each month under contract to reflect hours worked by trainees during that month as the basis for reimbursement by the Service Provider OJT Representative. One original signed copy of the timesheet should be sent to the Service Provider OJT Representative at the end of the month (contact information can be found on the form). The timesheets should reflect the total number of hours the trainee worked during the month, **NOT INCLUDING PAID OR UNPAID TIME OFF**. In addition, the employer must provide a copy of the payroll register that coincides with the trainee and the pay periods claimed on the invoice and timesheet.

### **Step-by-Step Process**

1. The employer completes and signs **Form 122: On-The-Job Training Proposal**, and returns to their Job Center system representative (Placement Specialist or Business Assistance Specialist).
2. Job Center system representative assists employer in completing **Form 123: Proposed OJT Training Outline**, which is then used by the Job Center system representative to develop a job description for candidate recruitment.
3. Job Center system representative recruits Job Center WIOA clients, and coordinates interviews with the employer.

4. When the employer identifies a client they wish to hire, the Job Center system representative completes **Form 124: OJT Agreement**, identifying the Job Center agency of the selected clients as the "Contractor." The Agreement is signed by the employer and the training fund manager (the manager of the WIOA client's Job Center).
5. Job Center system representative completes **Form 125: OJT Worksheet**. The document is signed by the to-be-hired WIOA client, the employer, the training fund manager, and the client's Career Advisor.
6. The client begins OJT.
7. Mid way through the contract period, the Job Center system representative visits the work site to monitor the OJT and completes **Form 126: Mid-OJT Monitoring Guide**. Any identified issues with the client or the employer should be addressed.
8. At the completion of the contract period, the Job Center system representative will assist the employer in completing the **OJT Completion Evaluation** and **OEWD Form 117: Written Employment and Education Verification Form**.

### **INQUIRIES**

Inquiries should be addressed to the OEWD Director of Workforce Strategy at (415) 701-4848 or email [workforce.connection@sfgov.org](mailto:workforce.connection@sfgov.org).

*OEWD and its service providers shall follow this policy. This policy will remain in effect from the date of issue until such time that a revision is required.*