



WIOA On-the-Job Training Policy

Department: San Francisco Office of Economic & Workforce Development

Effective Date: November 14, 2024

Directive # WDD 24-03

Supersedes: #WDD 23-45

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\(c\)\(3\)\(h\)](#)
- [Training and Employment Guidance Letter 19-16; Training and Employment Guidance Letter 21-22](#)
- Title 20 Code of Federal Regulations (CFR) Section [680.530](#) and Sections [680.700-680.730](#)
- [Trade Adjustment Act On the Job Training FAQ.pdf](#)
- [WorkforceGPS - On-the-Job Training: A Different View](#)
- [California Labor Code Section 3351](#)
- [Employee \(common-law employee\) | Internal Revenue Service](#)

POLICY

OJT is defined as training by an employer that is provided to a paid participant while engaged in productive work in a job that provides knowledge or skills essential to the full and adequate performance of the job. It is a proven, evidence-based strategy under WIOA that provides reimbursements to businesses to help compensate for the costs associated with skills upgrading and loss of production for training newly hired employees. It is also considered as an incentive to employers to hire using the public workforce system and to invest in new and existing employee skill development.



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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 participant will be hired as an employee and, on the employer's regular payroll as a trainee on the first day of training. Employer receives reimbursement (up to \$6,000 per participant) for the costs associated with training the OJT participant.
- The employer will provide opportunities to the participant to learn competencies: marketable knowledge, skills, or credentials essential to the full and adequate performance of the job.
- The employer will provide continued employment upon successful completion of the program.

To assess an employer's suitability for the OJT program, service providers should evaluate employers on various indicators, such as working conditions, health benefits, wage structure, turnover rates, adequate oversight, and equipment to carry out the training, and compliance with federal, state, and local laws, etc.

OJT is a "hire first" program: the participant becomes an employee of the company and receives wages and fringe benefits equal to those similarly employed by the employer at the start of the training program.

Unless the participant meets the requirements for employed workers as outlined below, participants may not be someone already on the employer's payroll, nor be hired prior to the effective date of the OJT contract. Training may begin after the OJT contract has been signed by all parties.

The employer is required to certify their intention to retain the participant after the subsidized training period if the participant accomplished the stated training goals outlined in the OJT contract. OJT cannot be utilized to fill job openings nor result in the full or partial displacement



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of employed workers. The OJT must be conducted at the employer's place of business, or an agreed site(s) outlined in the contract and may not be subcontracted.

Service Provider Responsibilities

The expectations of the Provider during training follows:

- Ensure participant's eligibility for OJT.
- Complete an employer orientation to discuss the contract provisions and OJT plan.
- Contact both the employer and the participant on a monthly basis to assess progress.
- Coach the participant regarding any behavioral or performance concerns expressed by the employer.
- Conduct an on-site evaluation at the time of contract negotiation and approximately towards the end of the agreed upon length of training and work with employer to complete the monitoring and/or evaluation tool.
- Provide additional support services to the participant 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 Comprehensive, Neighborhood, or Specialized Job Center contracts are not allowed to hire participants 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, and local (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 \$6,000.

If the client is co-enrolled with an Individual Training Account (ITA), then total costs for OJT and ITA will not exceed \$12,000.



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Participant Eligibility

To be eligible for OJT services, the participant must meet be under one of the categories below and meet all eligibility requirements:

1. 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

2. 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 Proposal – completed and signed by employer; submitted to Service Provider
- Intention to Establish OJT Form – completed by the Employer and signed by the service provider and OEWD representative
- OJT Checklist – provided all required documents in the checklist
- OJT Contract – outlined the training plan; rights and responsibilities of all parties in compliance with federal, state, and local laws, and evaluation and/ or monitoring tool and signed by the participant, service provider and employer
- OJT Invoice – completed and signed by participant, service provider and employer
- OEWD Form 117: Written Employment and Education Verification Form



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OJT Amounts and Time Limits

No individual OJT contract shall exceed a total cost of \$6,000. If an individual is co-enrolled in an OJT with an Individual Training Account (ITA), the sum of all training costs shall not exceed \$12,000 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.

Step-by-Step Process

1. **OJT Training Proposal Form:** The employer completes and signs OJT Training Proposal form and returns to the authorized Service Provider.
2. **Job Description:** Service Provider works with employer to develop a job description for candidate recruitment.
3. **Recruitment:** Service Provider develops marketing tool to recruit eligible WIOA clients and coordinates interviews with the employer.
4. **Intention to Establish OJT Form:** Service Provider works with employer to complete, sign, and submit an Intention to establish OJT Form to OEWD for pre-approval.
5. **Employer Evaluation:** Service Provider conducts on-site evaluation and employer orientation as part of the OJT process.
6. **OJT Contract:** When the employer identifies a client for OJT, the Service Provider completes OJT Contract, gathers information on OJT Checklist and submit all documents to OEWD for final approval.
7. **OJT Enrollment:** The client begins OJT.
8. **Case Management:** Service Provider contacts both the employer and the participant on a monthly basis to assess progress, addresses any behavioral or performance concerns expressed by the employer and provides additional support services as needed.



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9. **OJT Invoice Submission:** Employer should prepare OJT Invoice, with payroll information and submit to Service Provider at the end of each month to reflect hours worked by participants during that month as the basis for reimbursement.
10. **Evaluation & Employment Verification:** Towards the end of the contract period, the Service Provider will conduct another onsite evaluation. Service Provider will interview both participant and employer to understand concern, comments or reflection of OJT. Service Provider will assist the employer in completing the OJT Completion Evaluation and OEWD Form 117: Written Employment and Education Verification Form.

Frequently Asked Questions (Employer)

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 participant 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, the individual must be determined eligible by WIOA under the San Francisco OEWD 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 an OJT Contract identifying the individual to be hired. As part of the OJT, the participant becomes an employee of the company and receives wages and fringe benefits equal to those similarly employed by the employer 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 OJT Contract. 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



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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 an eligible individual to hire?

Funds obligated for training positions that are still unfilled 30 calendar days after the start date listed on the Intention to establish OJT Form will no longer be held for those positions. Modifications to the Intention to establish OJT Form 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 participant after the subsidized training period, based upon accomplishment of the stated training goals outlined in the OJT Training Proposal and acceptable performance. Participants 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 Contract, 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 participant's progress under an OJT Contract will be monitored by the staff of the Service Provider OJT Representative responsible for the development of the OJT Contract. Each OJT placement must be monitored at least once before completion.



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How will I be reimbursed?

Employers should prepare OJT Invoice and other payroll information at the end of each month under contract to reflect hours worked by participants during that month as the basis for reimbursement by the Service Provider OJT Representative. OJT will be reimbursed by the number of hours the participant 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 participant and the pay periods claimed on the invoice.

DEFINITIONS

Competencies – The competencies required for a participant to be considered as regular employment after completing the OJT will be evaluated based on the job title specified in the OJT Contract. This evaluation will use the Specific Vocational Preparation (SVP) component from [O*NET OnLine](#), along with the job descriptions provided by the employer, which are included in the Training Plan of the OJT Contract. The employer must assess the participant's skill level both before and after the OJT to set clear training goals, which should be outlined in the OJT Contract. Additionally, the employer must certify their intention to retain the participant as a regular employee after the subsidized training period, provided the participant successfully meets the training goals specified in the contract.

Employee – Every person in the service of an employer under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed is considered as employee, not independent contractor. Anyone who performs services for you is your employee if you can control what will be done and how it will be done. It doesn't matter whether the individual is employed full time or part time.

Hire First – The participant is an employee of the employer's company at the time of participation and receives wages and fringe benefits comparable to those of other employees in similar positions at the start of OJT. During the OJT, the participant is considered a subsidized employee, and the employer will be reimbursed for up to \$6,000 per participant to cover the costs associated with training. Once the participant successfully completes the program and continues their employment, they will become an unsubsidized regular employee.



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Wages in OJT – Individuals in on-the-job training or individuals employed in activities under this title shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills, and such rates shall be in accordance with applicable law, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the applicable State or local minimum wage law.

Employment Conditions in OJT – Individuals in on-the-job training or individuals employed in programs and activities under this title shall be provided benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work

INQUIRIES

Inquiries should be addressed to the OEWD Director of Workforce Strategy at (415) 701-4848 or email workforce.development@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.