

Mountain Area Workforce Development Board

Policy Statement: 2014 Number 2

February 25, 2014

Policy Statement Regarding the Implementation of Incumbent Workforce On-the-Job Training for Workforce Investment Act Eligible Adults

Incumbent Workforce On-the-Job Training (OJT) is designed to help a working, but “under-employed”, WIA eligible adult reach a “self-sufficient” wage as defined by the Local Workforce Development Board. Below you will find the most up-to-date chart that sets the “Self Sufficient” wage rate for the Mountain Local Area. Under this policy to be eligible to participate in the Adult Incumbent Worker OJT the WIA eligible client’s family income would have to be below the amount shown in the “Adult Self Sufficiency Earnings Level (Six Month Earnings)” column.

The “self-sufficiency” definition adopted by the Mountain Area WDB applies to the provision of intensive services for employed adults and dislocated workers. The self sufficiency chart below is based on the Lower Living Standard Income Level and varies according to the client’s family size. Employed One-Stop Career Center clients with earned income that fails to meet the self sufficiency standards established by the WDB are eligible to receive intensive services if their participation in core services fails to lead to a better paying employment situation. While employed adults are eligible for participation, if training opportunities or funds are insufficient they must be considered after persons in established priority groups are served.

Employed dislocated workers who have taken on jobs paying 80% or less of their former earnings are considered eligible for WIA Intensive services

The Mountain Area Workforce Development Board has established the definition of self-sufficient for determining whether an employed individual is receiving a wage that leads to self-sufficiency as follows:

1. to utilize the LLSIL guidelines with an upward adjustment for the family of one and two to 150% of the LLSIL; and
2. to utilize the LLSIL with an upward adjustment for a family of two to 150% of the LLSIL; and
3. to utilize the LLSIL at 125% of the published rate for families of three or four; and
4. to utilize the LLSIL at 110% of the published rate for families of five or six.

With the adjusted percentages, the guidelines for an annual and a six-month period are as follows:

Mountain Area Workforce Development Board: Adult Self Sufficiency Wage: 2013-14

Family Size	70% LLSIL (Six Month Earnings) (Youth Eligibility)	100% LLSIL by Family Size (Six Months Earnings)	Adult Self Sufficiency Earnings Level Percent of LLSIL	Adult Self Sufficiency Earnings Level (Six Months Earnings)	Full-Time (40 Hours, Wage/1 Earner)	Full-Time (40 Hours, Average Wage/2 Earners)
1	\$5,835	\$8,335.71	150%	\$12,503.57	\$12.02	NA
2	\$7,909	\$11,298.57	150%	\$16,947.86	\$16.30	\$8.15
3	\$10,856	\$15,508.57	125%	\$19,685.71	\$18.93	\$9.46
4	\$13,402	\$19,145.71	125%	\$23,932.14	\$23.01	\$11.51
5	\$15,818	\$22,597.14	110%	\$24,856.85	\$23.90	\$11.95
6	\$18,500	\$26,428.14	110%	\$29,070.95	\$27.95	\$13.98
Each Additional Family Member Add	\$2,682	\$3,831.43	110%	\$4,225.57	\$4.06	\$2.03

Source: DWS Policy Statement: #PS 04-2014 – Effective March 27, 2014

The wages for an adult must be at the adjusted LLSIL level listed above or more to be defined as earning a self-sufficient wage. The wages for the dislocated worker are defined as at least 80% of the wages the individual was earning when the dislocation occurred.

Mountain Area Workforce Development Board Incumbent Workforce OJT Policy

On-the-Job Training for Incumbent Workers is allowed by WIA when:

1. the employee is not earning a self-sufficient wage as determined by local Workforce Development Board policy;
2. all OJT Pre-Award Analysis conditions 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, workplace literacy, or other appropriate purposes identified by the WDB. (NC DWS Policy Statement Number PS13-2013, August 15, 2013)

Prior to enrollment in the Incumbent Worker OJT program the WIA eligible employee must have been in continuous employment with the company for at least six months, demonstrated excellent attendance and performance, and acknowledge a desire to accept the responsibilities associated with the new position.

Incumbent Workforce OJT contracts can only be written for full-time jobs that, during or at the end of the OJT contract, will result in:

- an increase the WIA eligible Incumbent Worker’s wage by 25% or increase the worker’s wage, or
- to an amount of at least 5 cents per hour above the “Adult Self Sufficiency Earnings Level (Six Month Earnings)” for a family of one. (e.g., currently \$11.65).

For an Incumbent Worker OJT contract to be written when the Incumbent Worker is eligible based on the income levels in the “Adult Self Sufficiency Earnings Level (Six Month Earnings) for his/her family size, and his/her wage is above “Adult Self Sufficiency Earnings Level (Six Month Earnings)” for a family of one, the 25% pay increase is required during or at the end of the OJT contract.

Clarifications and Examples:

Since OJT's are not permitted under current policy to be written for jobs paying less than \$8.00 per hour, the minimum wage to be paid at the end of an Incumbent Worker OJT would be \$10.00. The option of a 25% increase is included, because low wage workers could be excluded from the opportunity to get OJT assistance in moving to a higher paying position if an employer was required to move the client from \$8.00 to \$11.65 a 45.6% increase. If the client is earning a wage in excess of \$9.32 the percentage increase to reach \$11.65 would be less than a 25% pay increase. Increases above \$11.65 are encouraged, but not required for an Incumbent Worker OJT. Workers earning above \$11.60 per hour are not eligible for the program.

In the latter case:

when the Incumbent Worker is eligible based on the income levels in the “Adult Self Sufficiency Earnings Level (Six Month Earnings) for his/her family size, and his/her wage is above “Adult Self Sufficiency Earnings Level (Six Month Earnings)” for a family of one. An example would be - an incumbent worker with a family size of 2 (one wage earner) making \$12.00 per hour. The required 25% pay increase would be \$3.00. During, or at the end of the Incumbent Worker OJT contract, the worker's wage would have to be \$15.00 or more.