

**Union County Workforce Development Board
Incumbent Worker Training Policy**

Policy Number:	UCWDB-2026-11
Effective Date:	January 28, 2026
Supersedes:	Workforce Area Guidance Letter No. 2022-02 (Policy Resolution No. 2022-15)
Review Date:	Annually
Related Policy:	UCWDB-2026-09 WIOA Title I Work-Based Learning Policy

Section 1: Purpose and Authority

1.1 Purpose

This policy establishes the framework for **Incumbent Worker Training (IWT)** programs administered by the Union County Workforce Development Board (UCWDB). This policy supplements **UCWDB Policy UCWDB-2026-09: WIOA Title I Work-Based Learning Policy**.

Per **20 CFR 680.790** and **NJWIN WD-PY21-4.1**, the two key objectives of IWT are to:

- Help avert potential layoffs of employees; or
- Increase the skill levels of employees so they can be promoted and create backfill opportunities.

1.2 Applicability

This policy applies to WIOA Title I Adult and Dislocated Worker programs, all staff of the American Job Center of Union County (sub-recipients and American Job Center partners), WIOA Title I service providers, participating employers, incumbent workers, and UCWDB staff responsible for program oversight.

1.3 Regulatory Authority

A. Federal Statutes:

- **WIOA Section 134(d)(4)** – Incumbent Worker Training provisions
- **WIOA Section 3(24)** – Definition of Individual with Barriers to Employment
- **WIOA Section 181(b)(7)** – Union Organizing Prohibition

B. Federal Regulations:

- **20 CFR 680.780-680.820** – Incumbent Worker Training Requirements
- **2 CFR Part 200** – Uniform Administrative Requirements
- **2 CFR 2900.8** – DOL Exceptions (Employer Share Reporting)

C. Federal Guidance:

- **TEGL 19-16** – WIOA Title I Training Services Guidance
- **TEGL 10-16, Change 2** – Performance Accountability Guidance

D. State Guidance:

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- **NJWIN WD-PY21-4.1** – Incumbent Worker Training Policy (December 2021, updated December 2023)
- **NJWIN 13-15** – Training Contracts and Work-Based Training

Section 2: Core Principles

2.1 Payer of Last Resort

Per **20 CFR 680.230**, WIOA funds for IWT may only be used when other sources of training funds are unavailable. Local areas must demonstrate that they have identified and used other program funds when available.

2.2 Employer-Employee Relationship

All IWT activities must comply with **Fair Labor Standards Act (FLSA)** requirements for employer-employee relationships.

2.3 Union Organizing Prohibition

Per **WIOA Section 181(b)(7)** and **20 CFR 680.850**, funds provided to employers for IWT must not be used to directly or indirectly assist, promote, or deter union organizing.

2.4 Relocation Prohibition

Funds must not be used for any business that has relocated from another U.S. location until operating at the new location for **120 days**, if the relocation resulted in employee job losses.

Section 3: IWT Program Requirements

3.1 Program Requirements

Per **20 CFR 680.790** and **NJWIN WD-PY21-4.1**, IWT must:

- Increase the competitiveness of the employee and employer;
- Be carried out by the local board in conjunction with an employer or group of employers;
- Be designed to retain a skilled workforce or avert layoffs; and
- Be consistent with State and Local Plans and career pathway approaches for in-demand occupations.

3.2 Funding Limitations

Per **WIOA Section 134(d)(4)(A)** and **20 CFR 680.820**:

- Local WDBs may reserve up to **20 percent** of combined Adult and Dislocated Worker allocations for IWT.
- IWT in **local government entities must not exceed 10 percent** of combined allocations.

Section 4: Eligibility Criteria

4.1 Incumbent Worker Eligibility

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Per **20 CFR 680.780** and **20 CFR 680.800**, to qualify as an incumbent worker, the individual must:

1. Be employed with an established employer-employee relationship meeting FLSA requirements;
2. Have an established employment history with the employer for **6 months or more**;
3. Be a U.S. citizen or authorized to work in the U.S.;
4. Be age 18 or older; and
5. Be registered with Selective Service (if applicable).

IMPORTANT: An incumbent worker does **not** have to meet WIOA Title I eligibility unless also enrolled as a Title I participant. IWT-only participants are reported as **WIOA Reportables** and are **not included in performance accountability calculations**.

Cohort Exception: When IWT is provided to a cohort, not every employee must have 6 months employment history, as long as a **majority** meet the requirement.

4.2 Priority Populations – Individuals with Barriers to Employment

Per **WIOA Section 3(24)** and **20 CFR 680.810**, priority shall be given to incumbent workers with barriers to employment, including: displaced homemakers, low-income individuals, individuals with disabilities, older individuals (55+), ex-offenders, homeless individuals, English language learners, long-term unemployed (27+ weeks prior to current employment), and underemployed workers.

4.3 Employer Eligibility (Eligible Entities)

Per **20 CFR 680.810** and **NJWIN WD-PY21-4.1**, employers must meet the following criteria:

- **Connection to In-Demand Occupations:** Training must be for in-demand occupations; compelling reasons required if not in high-growth sector.
- **Employer Standing:** Current in UI and Workers' Compensation taxes; no layoffs within 120 days due to relocation.
- **Participant Characteristics:** Priority for training workers with barriers to employment.
- **Employer Impact:** Training contributes to increased competitiveness.
- **Participant Impact:** Training leads to wage gains, advancement, or credential attainment.
- **Unique Value:** Training must not duplicate existing employer-provided training.

4.4 Ineligible Entities

Ineligible employers include: those who have laid off workers within 120 days to relocate; those delinquent on UI/WC taxes without a payment plan; those with documented labor law violations; those involved in active labor disputes; and those seeking to use IWT funds for new hire training.

Section 5: Employer Cost-Sharing Requirements

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5.1 Emphasis on Small Businesses

Per **20 CFR 680.810**, the UCWDB places emphasis on serving **small and medium-sized businesses** in high-growth/high-demand sectors.

5.2 Required Employer Cost-Sharing

Per **WIOA Section 134(d)(4)(D)** and **20 CFR 680.790**:

Employer Size (Employees)	Minimum Employer Share
50 or fewer	10 percent of training cost
51 to 100	25 percent of training cost
More than 100	50 percent of training cost

Employer payment may be **cash, in-kind contributions**, or both. Per **2 CFR 2900.8**, employer share must be reported on the ETA-9130 quarterly financial report.

Section 6: Training Quality and Advancement

6.1 Quality Training Standards

Training should: be for an **in-demand occupation**; allow participants to gain **industry-recognized training experience**; lead to **industry-recognized credentials**; and/or result in an **increase in wages**.

6.2 Upskill/Backfill Strategy

Per **NJWIN WD-PY21-4.1**, UCWDB is encouraged to develop an **upskill/backfill strategy** to fill jobs vacated by workers advancing through IWT with other WIOA participants.

6.3 Training Provider Selection

Per **NJWIN WD-PY21-4.1**, the employer generally selects and procures the training provider. Training providers **do not have to be on the ETPL**. IWT may be used for upskilling apprentices in Registered Apprenticeship programs per **NJWIN 13-15**.

Section 7: Documentation Requirements

Per **NJWIN WD-PY21-4.1**, IWT files must include: six-month work history documentation; employer eligibility verification per **20 CFR 680.810**; employer size verification for cost share calculation; cost share documentation; training plan with expected outcomes; employer commitment to retention or layoff aversion; Selective Service verification; and data sharing agreement.

Section 8: Approval Authority

IWT Contracts require **WDB Director** approval with employer eligibility verification. IWT for Registered Apprenticeship upskilling requires WDB Director approval with RA verification documentation.

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Section 9: Reporting and Data Entry

Per **TEGL 10-16, Change 2**, IWT-only participants are reported as **WIOA Reportables** and are **not included in performance calculations**. Outcomes must be reported on: measurable skills gain, credential attainment, employment 2nd/4th quarter after exit, and median earnings.

Per **NJWIN WD-PY21-4.1**, all IWT activities must be entered in AOSOS within **5 business days** of occurrence. Employer share must be reported quarterly on ETA-9130.

All IWT documentation must be retained for a minimum of **three (3) years** from the date of the final expenditure report, or until all audits and claims are resolved.

Section 10: Prohibited Activities

IWT funds may not be used to: assist, promote, or deter union organizing; aid in filling jobs vacant due to strikes/lockouts; provide training to new hires; or support employers who relocated within 120 days with resulting job losses.

Section 11: Equity and Accessibility

UCWDB is committed to equitable access including: non-discrimination compliance; language access in appropriate languages; disability accommodations per ADA; and priority population recruitment per **WIOA Section 3(24)**.

Section 12: Definitions

sub-recipients and American Job Center partners: American Job Center of Union County

AOSOS: America's One-Stop Operating System, NJ's workforce data management system

Backfill Strategy: Approach where positions vacated by IWT-advanced workers are filled by other WIOA participants

ETPL: Eligible Training Provider List

Incumbent Worker: Individual employed with 6+ month employment history with employer (per 20 CFR 680.800)

Individual with Barriers: Member of populations defined in WIOA Section 3(24)

Small Business: Employer with 50 or fewer employees

WIOA Reportables: Individuals reported to USDOL but not included in performance calculations

Section 13: References

A. Federal: WIOA Public Law 113-128; 20 CFR Part 680; 2 CFR Part 200; 2 CFR Part 2900

B. TEGLs: TEGL 19-16; TEGL 10-16, Change 2

C. State: NJWIN WD-PY21-4.1; NJWIN 13-15

D. Related UCWDB Policies: UCWDB-2026-09 – WIOA Title I Work-Based Learning Policy

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Section 14: Action

This policy shall be made available to all sub-recipients and American Job Center partners and Title I service provider staff. Training shall be conducted within 30 days of adoption.

Section 15: Attachments

Attachment A: IWT Employer Eligibility Checklist

Attachment B: IWT Training Agreement Template

Attachment C: IWT Contract Template

Attachment D: IWT Participant Roster Template

Attachment E: Barriers to Employment Verification Checklist

Attachment F: NJWIN WD-PY21-4.1 (Reference)

Attachment G: UCWDB Work-Based Learning Policy UCWDB-2026-09 (Reference)

Section 16: Inquiries and Technical Assistance

Union County Workforce Development Board

Meredith Barracato, MPA, Policy and Strategic Planning Advisor

Email: meredith.barracato@ucnj.org

New Jersey Department of Labor and Workforce Development

WIOA Policy and Operations Division

Email: WIOAPOD@dol.nj.gov

Incumbent Worker Training Program Policy

Checklist for Employer Eligibility

For use in documenting eligibility of employers for WIOA funds (Adult and/or Dislocated Worker) to provide Incumbent Worker Training.

1. Characteristics of the incumbent workers to be trained, specifically the extent to which they historically represent individuals with barriers to employment as defined in WIOA section 3(24), and how they would benefit from retention or advancement.
2. Quality of the training (e.g., industry-recognized credentials, advancement opportunities).
3. Number of participants the employer plans to train or re-train: _____
4. Wage and benefit levels of participants (before and after training): _____
5. Occupation(s) for which incumbent worker training is being provided (must be in demand as defined by WIOA Section 3(23) and as determined by workforce development area-specific labor market information).
6. Industry to which the employer is assigned, as determined by its North American Industry Classification System (NAICS) code (must be in demand as defined by WIOA Section 3(23) and as determined by workforce development area-specific labor market information).
7. Employer attestation, in writing, that it is not delinquent in unemployment insurance or worker's compensation taxes, penalties, and/or interest. **Attach document.** (WDBs must document these factors in approving an incumbent worker training project with an employer.)
8. The funds provided under this title will not be used to encourage or induce the relocation of a business or a part of a business if such relocation would result in a loss of employment for any employee of such business at the original location and such original location is within the United States. **Attach attestation.**
9. The funds provided under this title for an employment or training activity will not be used for any business or a part of a business that has relocated, until the date is 120 days after the date on which such business commences operations at the new location, if the relocation or part of a business results in a loss of employment for any employee of such business at the original location and such original location is within the United States. **Attach attestation.**
10. **Cost of Training and Employer Share of Training Costs:** Employers participating in incumbent worker training are required to pay the non-WIOA (non-federal) share of the cost of providing training to their incumbent workers. The employer share is based on the size of the workforce; wages paid to the participant while in training can be included as part of the share. Fill out number of employees and data source.

Employer Size	Minimum Share	# Employees
50 or fewer employees	10%	
51 to 100 employees	25%	
More than 100 employees	50%	

11. Budget (per individual)

- a. Non-WIOA Share Employer/In-Kind contribution: _____ (wages x fringe rate x # hours of training + [other])
- b. WIOA Funding: _____ (direct training cost)
- c. Total Cost: _____ WIOA as % of Total Cost: _____

Employer Information

Employer Name:	Owner/Authorized Employee:
Phone:	Email:
Hiring Address:	FEIN:
Total Number of Employees:	

Sample IWT Training Agreement

[Employer Name] located **[Address, New Jersey]** is a private company which meets the Fair Labor Standards Act requirement. All **[Employer Name]** employees are U.S. Citizens or otherwise authorized to work in the United States.

The proposed **[Name of Training Program]** for Incumbent Worker Training (IWT) will support our company's efforts to offer apprenticeships to increase our ability to plan for our workforce needs and maintain/increase our competitiveness.

As required, the trainees (i.e., employees participating in the above mentioned IWT) are:

- Aged 18 or older;
- Registered with Selective Service unless failure to register is determined unknowingly;
- The majority have been employed with the company for more than six (6) months.

The company's share of the training cost will be in-kind and in the form of the employee wages and benefits during the **[Length of Time]** training period.

Training will be done by the **[Name of Training Provider]** and, upon successful completion, participating employees will receive a Certificate and/or a salary increase. Their newly learned skills will lead to the title of **[Name of Occupation]** at the completion of the **[Name of Training Program]**.

Checklist for Employer Eligibility

The company agrees to participate in any follow-up efforts to evaluate IWT effectiveness. The funds will not be used for relocation of the business and no workers will be displaced as a result of this training.

Authorized Employer Signature: _____

Printed Name and Title: _____

Date: _____

Incumbent Worker Training Contract

Incumbent Worker Training (IWT) Contract # _____

This contract for Incumbent Worker Training is entered into between the Union County American Job Center and the Employer named below. Employer will be reimbursed for the training costs specified below. Payment of trainee salaries and benefits during the training period may be used to meet the employer contribution (in-kind) requirement.

In compliance with the WDB policy on Incumbent Worker Training, the specified program(s) are designed to improve a) the skills of employees and b) the competitiveness of the employer, by helping to retain skilled employees or avert a potential layoff.

Employer Information (attach signed Employer Assurance Letter)

Employer Name	
Street Address	
City/State/Zip Code	
Mailing Address	
City/State/Zip Code	
FEIN (also attach W-9)	
Number of Employees	
Industry Name and NAICS Code	
Contact Name & Title	
Telephone Number & Email Address	

Training Program Information

Training Program Name	
Training Provider Name (if different than employer)	
Module Hours and Duration	
Training Site Location (if different than employer)	
No. of Trainees/Apprentices (Incumbent Workers)	
Total WIOA Funded Amount (per Budget Worksheet)	
WIOA Account Number	

Employer will provide training as indicated in the attached Apprenticeship Program Schedule, Participant Roster, and Budget Worksheet.

Employer acknowledges that the information provided is accurate and that it agrees to comply with the IWT Program Information, Provisions, Requirements, and Standard Assurances referenced in this contract. Employer also certifies that it is current on all

Incumbent Worker Training Contract

local, state, and federal tax obligations (including unemployment insurance and workers compensation).

This agreement is for the duration of the listed programs: _____ to

Authorized Employer Signature and Date

AJC Employee Signature and Date

Incumbent Worker Training Contract

WDB Incumbent Worker Training Program Information

1. Identify the specific need(s) for IWT and address the specific skills gap requiring intervention; include the current occupation(s) of trainees and, if applicable, occupation to be trained.
2. Will the training increase the competitiveness of the company? If yes, specify how.
3. Will training mitigate the impact of a layoff if utilized as a part of a layoff aversion strategy? If yes, specify how it will mitigate the impact of a layoff (e.g., provide list of job opportunities and skill requirements).
4. Specify any and all anticipated outcomes of training (e.g., wage increase, new skills/occupation/title).
5. Specify, as applicable, the name of credential(s) and certifying organization(s).
6. Identify the training programs or modules to be provided under this agreement.

Incumbent Worker Training Contract

WDB Incumbent Worker Training Contract Provisions, Requirements, and Assurances

1. W-9 and NJ Business Registration are required.
<http://www.state.nj.us/treasury/revenue/busregcert.shtml>
2. Compliance with the Incumbent Worker Training Program Requirements (attach letter from Employer to WDB Director). Indicate date of letter here: _____.
3. Payments/Required Documentation for Reimbursement
 - a) Final roster (see attached form) showing number completing the training program; payments are based on the number of IWT participants who complete training program.
 - b) Proof of Employer Contribution (e.g., wages and benefits during the training program - official payroll register for the participants during the training period).
 - c) Proof of Attendance - Attendance Sheets signed by training provider and participant.
 - d) Certificates of Completion issued by Training Provider and, as applicable, recognized credentials.
 - e) Payment requests, at the end of training program, must be submitted on an original County of Union Voucher and include the above-mentioned documents and proof of training (e.g., training invoice).
4. **Follow-up:** Employer will participate in any follow-up efforts conducted by the WDB or its authorized representative to evaluate the IWT program's effectiveness, including providing information on participants' post-training employment (e.g., six months after training completion) for required reporting.
5. **Audits and Records:** Employer shall maintain the records described above for a period of three (3) years from date of final payment under the contract. Employer agrees that authorized representatives of WDB or its authorized representative shall be given access to, at all reasonable times, facilities and records pursuant to this contract. To assure that records required for audit purposes can be obtained, should, for any reason, the Employer be forced to close or relocate his/her business/training facility, the WDB will be informed at least 30 days prior to such action.
6. **Disputes:** The Training Provider/Employer agrees that the law of the State of New Jersey shall be the operative law and submits to the jurisdiction of the courts of the State of New Jersey as to any claims or disputes arising out of this agreement.
7. **Termination of Contract:** The performance of work under this contract may be terminated by the WDB when it has been determined that the Training Provider/Employer has failed to provide services specified or is not in compliance with the contract provisions.
8. **Termination of Trainees:** The Employer has the right to terminate any Participant/Trainee based on the termination procedures followed by the company. WDB or its authorized representative must be notified within five (5) days of such action. Should the Employer terminate any Participant prior to the conclusion of a contract, the WDB or its authorized representative will be relieved of any financial/contractual obligations related to the Trainee.
9. **Trainee Wages and Benefits:** Hourly wages paid to Trainees/Employees/IWT participants shall be not less than the wages, benefits, hours, and conditions as prior to the training start date. Upon completion of the specified IWT program, participants will receive a certificate

Incumbent Worker Training Contract

attesting to their new skills (e.g., micro-credential, recognized credential) and may be given the opportunity to be considered for advancement.

10. Applicable Laws

- a) The Training Provider/Employer will abide by the provisions within the Workforce Innovation and Opportunity Act (WIOA).
- b) The Training Provider/Employer will assure compliance by adhering to the provisions of the Fair Labor Standards Act.

11. Assurances and Certifications

- I. Assurances Non-Construction Programs (SF 424 B)
- II. Debarment and Suspension Certificate (Executive Order 12549, 29 CFR Part 98)
- III. Certification Regarding Lobbying (29 CFR Part 93)
- IV. Drug Free Workplace Certification (29 CFR Part 98)
- V. Nondiscrimination and Equal Opportunity Assurance (29 CFR Part 38)
- VI. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)
- VII. Affirmative Action [P.L. 1975 C127 (N.J.A.C. 17:27)]

12. Compliance with Selective Service Registration: Training Provider/Employer will verify compliance using <https://www.sss.gov/Registration/Check-a-Registration/Verification-Form>

13. Program Budget: See attached Budget Worksheet.

***Employer Non-Federal Share of Training Costs:**

Up to 50 employees: 10%; 51-100 employees: 25%; More than 100 employees: 50%

Incumbent Worker Training Participant Roster

Incumbent Worker Training Contract #: _____

Employer: _____

Number of Participants: _____

Trainee Name	Last 4 Digits of SS#	Training Module Name/Number	Training Dates	Hire Date	Pre-Training Salary & Job Title	Post-Training Salary & Job Title	Name of Credential Earned
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							

Barriers to Employment Verification Checklist

Participant Name:	Employer:
Training Program:	Contract ID:
Date Completed:	Completed By:

Purpose: This checklist is used to document and verify whether an incumbent worker meets one or more barriers to employment as defined under WIOA Section 3(24).

Barrier Categories (check all that apply):

- Low-Income Individual
- Individual with a Disability
- Older Individual (55 or older)
- Ex-Offender
- English Language Learner
- Homeless Individual
- Displaced Homemaker
- Long-Term Unemployed prior to current employment
- Underemployed Worker
- Other WIOA-allowable barrier: _____

Primary Barrier Identified: _____


Secondary Barrier(s): _____

Staff Certification:

I certify that the information above has been reviewed and verified in accordance with WIOA regulations and UCWDB policy.

Staff Signature:

Date:

	New Jersey Workforce Innovation Notice		WD-PY21-4
	Issued By:	Workforce Development Division of Career Services	
	Approved By:	Hugh Bailey, Assistant Commissioner Workforce Development	
	Issued Date:	December 16, 2021	

SUBJECT: Incumbent Worker Training under the Workforce Innovation and Opportunity Act

PURPOSE: To provide guidance to local workforce development boards regarding the use of Workforce Innovation and Opportunity Act (WIOA) Title I Adult and Dislocated Worker funds to pay for Incumbent Worker Training.

EFFECTIVE DATE: This NJWIN is effective **Immediately** and replaces NJWIN 9-16.

BACKGROUND: Incumbent Worker Training (IWT) offers Local Workforce Development Boards (WDBs) resources for working with employers to support training of existing employees that need additional skills to maintain their position or advance in the company.

Incumbent Worker Training (IWT) must:

- Increase the competitiveness of the employee and employer.
- Be carried out by the local board in conjunction with an employer or group of employers (which may include employers in partnership with other entities for the purposes of delivering training).
- Be designed to meet the special requirements of an employer (or group of employers as described above) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment or avert layoffs.
- Be consistent with State and Local Plans, as well as with career pathway and sector strategy approaches for in-demand occupations.

This policy provides an overview of IWT and how Local WDBs can leverage and operationalize these training opportunities. This includes information highlighted in NJWIN 9-16 and replaces that policy.

POLICY OVERVIEW

Incumbent Worker Training (IWT) under WIOA provides both workers and employers with the opportunity to build and maintain a quality workforce and increase both participants' and companies' competitiveness. IWT offers resources to support training and upskilling opportunities within an employer or a group of employers, often in partnership with other entities delivering external training. These training opportunities support existing employees in obtaining new skills that will support their retention and/or advancement in a company.

The two key objectives of Incumbent Worker Training funded through WIOA are to:

- Help avert potential layoffs of employees, or
- Increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for the employers.

The Local WDB must determine an employer's eligibility for participating in IWT based on the following factors which help to evaluate whether training would increase the competitiveness of the employees or both the employees and the employer:

- The characteristics of the individuals in the program (e.g. individuals with barriers to employment)
- Whether the training improves the labor market competitiveness of the employees or both the employees and the employer
- The benefit of the training to employees – i.e., the number of employees participating in the training, the wage and benefit levels to employees, as well as skill gains and credential attainment potential
- Evidence of the employer's commitment to training and advancement opportunities for their employees overall
- Alignment with a larger sector and/or career pathway strategy
- The employer size and financial resources of the employer to support training and advancement opportunities
- The potential for averting layoffs

In addition, a majority of individuals participating in IWT cohorts must have an established employment history with the employer of 6 months or more. This may include time as a temporary or contract-worker performing work for the employer.

To receive IWT, an incumbent worker does not have to meet the eligibility requirements for participation in career and training services for adults and dislocated workers under WIOA, unless they are also enrolled as a participant in the WIOA adult or dislocated worker program.

Specific outcomes data must be collected and reported in AOSOS for all individuals participating in IWTs – including information about employment retention and wage levels. Incumbent Worker Training participants that are not enrolled as Title I participants are reported as WIOA Reportables to the United States Department of Labor (USDOL) and are not included in WIOA performance measures.

Local WDBs may reserve up to a maximum of 20 percent of their combined Title I Adult and Dislocated Worker allocations to pay for the federal share of the cost of IWT activities that are programmatic in nature. Generally, IWT should be provided to private sector employers. However, there may be instances where non-profit and local government entities may be the recipients of IWT funds. Support of IWT in local government entities must not exceed 10 percent of combined Title I Adult and Dislocated Worker allocations.

This policy provides an overview of specific guidance related to eligibility, program details and expectations, and documentation and data entry requirements to support oversight and monitoring locally and ensure appropriate reporting to USDOL.

Participant, Employer, and Role Eligibility

Local WDBs must consider the impact of the IWT on the competitiveness of the participant and the employer when determining eligibility of a proposed IWT.

Employer Eligibility

For an employer to receive Incumbent Worker Training funds, individual(s) receiving training must be:

- Employed;
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship; and
- Have an established employment history with the employer for 6 months or more (which may include time spent as a temporary or contract worker performing work for the employer receiving IWT funds).

Please note: If IWT is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for 6 months or more, if the majority of employees being trained meets the employment history requirement.

Furthermore, Local WDBs must consider the following criteria when determining eligibility of an employer to receive WIOA Incumbent worker funds:

- **Connection to in-demand occupations:** The occupation(s) for which incumbent worker training is being provided must be in demand. Employers should be in a high-growth/high-demand sector. If not in a high-growth/high-demand sector, Local WDBs must document compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in IWT.
- **Standing of the employer:** The employer must not have laid off workers within 120

days to relocate from another state. Additionally, the employer must be current in unemployment insurance and workers' compensation taxes, penalties, and interest, and/or be on a related payment plan.

- **Benefits to employees:** Benefit considerations include the number of employees participating in the training, the wage and benefit levels of those employees (at present and anticipated upon completion of the training), and the existence of other training and advancement opportunities provided by the employer.

In addition, Local WDBs are advised to incorporate additional criteria around:

- **Trainee characteristics:** Local WDBs must consider the characteristics of the incumbent workers to be trained and how they would benefit from retention or advancement. Consideration should be given to employers who propose to train individuals with barriers to employment.
- **Quality of training:** Whenever possible, the training should allow the participant to gain industry-recognized training experience and/or lead to industry-recognized credentials and/ or an increase in wages.

Generally, IWT should be provided to private sector employers; however, there may be instances where non-profit and local government entities may be the recipients of IWT funds. For example, IWT may be used in the health care industry where hospitals are operated by non-profit or local government entities and a nursing upskilling opportunity is available.

Selection of Training Providers

Generally, the employer selects and procures the training provider based on identified employee and employer training needs. If the employer is providing training or has identified a specific training provider of choice, these entities do not have to be on the Eligible Trainer Provider List (ETPL).

Local WDBs may, however, help employers to identify training providers, such as those on the ETPL.

Participant Eligibility

Local areas that use funds for IWTs must establish policies and definitions to determine which workers, or groups of workers, are eligible for IWT services. To qualify as an incumbent worker, the incumbent worker needs to be:

- A U.S. Citizen or otherwise authorized to work in the U.S.
- Age 18 or older
- Registered with Selective Service (males who are 18 or older and born on or after January 1, 1960) unless failure to register is determined unwilling or unknowing.
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship
- Have an established employment history with the employer for six months or more. (Exception: When incumbent worker training is provided in a cohort, a majority, but not all, of the employees must have an employment history with the employer of six months or more.)

An incumbent worker **does not** have to meet the eligibility requirements for career and training services for Adults and Dislocated Workers under WIOA unless they are *also* enrolled as a participant in the WIOA Adult or Dislocated program. Individuals who receive only IWT are reported as WIOA Reportables and are not included in WIOA performance accountability calculations.

Underemployed Workers

IWT can also be used for underemployed workers—e.g. workers who would prefer full-time work but are working part-time for economic reasons. While these workers are employed, they may have accepted reduced hours to gain or maintain employment or a previous dislocation has led them to accept reduced employment and often lower wages that may have a permanent effect on their careers.

The use of these strategies may focus on increasing skills for underemployed frontline workers in an effort to advance these workers to more skilled positions with the same employer or industry sector leading to an increase in earnings through more work hours or an increase in pay.

Local Incumbent Worker Training (IWT) Policy

Local WDBs must establish local policies that clarify and define which workers, or groups of workers, are eligible for and a priority for incumbent worker services, based on the guidance provided in this document. These policies must articulate, specifically, processes for documenting the six-month work history of participating employees.

Program Details and Expectations

Employer Share of Training Costs

Employers who have employees receiving IWT are required to pay the non-WIOA (non-federal) share of the cost of the training. The minimum non-federal share of the incumbent worker training costs are based on the total number of the employers' employees as follows:

Number of Employees	Minimum Employer Share
50 or Fewer	10 Percent
51 to 100	25 Percent
More Than 100	50 Percent

In other words, based on employer size, employers must contribute 10-50% of IWT costs.

The table on page 5 offers minimum contribution levels. Local WDBs may require higher levels of employer contribution based on factors such as:

- The number of employees participating in the training
- The wage and benefits levels of the employees (at the beginning and anticipated upon completion of training)
- The relationship of the training to the competitiveness of the employer and employees
- The availability of other employer-provided training and advancement opportunities.

The employer's payment for the non-federal share can be cash payments, fairly evaluated in-kind contributions, or both.

Identification of Quality IWT Opportunities

Decisions about what IWT opportunities to pursue and the level of employer cost sharing must be driven by a clear understanding of the cost and benefit of the IWT opportunity to participating employees and the employers. Local WDBs must establish information regarding the following before putting a contract into place:

- **Participant Characteristics:** Do potential participants have specific barriers to employment? Priority should be given to incumbent workers with barriers to employment.
- **Employer impact:** How will this training effort contribute to the increased competitiveness of the employer? Priority should be given when the training offers a clear benefit to the employer's competitiveness.
- **Participant impact:** What will the impact of this training be on participants? Priority should be given when the impact of the training leads to gains in wages, advancement in position, credential attainment, and/or includes training of a larger number of participants.
- **Unique value:** Does this training offer a unique PD/training opportunity? The training opportunity must not be duplicative of existing training/PD opportunities within a company and should serve as a complement and addition to exist professional development strategies.

Upskill/Backfill Strategy

As part of an incumbent worker upskilling strategy, Local (WDBs) are also encouraged to develop an upskill/backfill strategy which involves filling jobs vacated by workers who are moving into more advanced positions in the company through IWT opportunities with other WIOA participants.

Local WDBs are encouraged to develop contracts such that once incumbent workers advance with the employer, the employer then provides an opportunity for Local WDBs to fill this now vacant position with a local WIOA participant.

In other words, at its best, Incumbent Worker Training offers advancement opportunities for individuals into new positions, opening up positions that can be made available to existing WIOA participants with job placement support and/or through other work-based training opportunities.

In addition, IWT may be used for upskilling apprentices who already have an established working/training relationship with the Registered Apprenticeship program.

Training Plans and Contracts

Local WDBs must put in place formal contracts that include training plans based on preliminary assessments of employer cost sharing and training benefits.

Applications for IWT must include a number of different elements relevant to employer, role, and training information. Table 2 provides an overview of these elements.

Table 2: Training Plan and Contract Elements

Employer Information	Role Information	Training Information
<ul style="list-style-type: none"> • Company Name • Address • Billing Address (if different than physical address) • City/Zip • Phone • FEIN • DUNS • Employer layoff history • Length of business operations in NJ • Name/Title of Person(s) Authorized to Sign Documents • Employer's Product or Service • Person(s)/Title(s) Responsible for Supervision/Training of Trainee • Number of Full-Time Employees (working 32 hours or more) • Location/Telephone Number of Training/Worksite • Email address • Cost sharing requirements of employer 	<ul style="list-style-type: none"> • Position (Actual Job Title) at start of training • Position (Expected Job Title) at end of training • Industry Name/NAICS Code • Hourly Wage During Training • Hourly Wage at the end of training 	<ul style="list-style-type: none"> • Number of Weeks Requested for Training • Training Period (Dates) • Expected Training Benchmarks • Training Plan, including information about training sequence and trainers • Total expected cost of training

Signed IWT contracts between the Local WDB and employer must include information from the application, and specific details related to employer criteria identified in the eligibility section. Additionally, contracts should also include clear expectations and provisions around the following:

Data sharing: Employers must agree to sharing data about positions, wages, and hours of participating employees at the start of training, at the end of training, and six months out from the end of training. In addition, local areas may choose to require the provision of SSN to support matching data to employment records. Employers must also attest to the registration of individuals for Selective Service.

Cost reimbursement: Specific details about the level of cost sharing and expected costs through cash payments and in-kind contributions must be included in contracts.

Monitoring and oversight: Employers must agree to participate in monitoring and oversight activities of the Local WDB, including submission of data, completion of information related to participant and employer satisfaction, as well as oversight from NJDOL.

Regulatory Limitations and Prohibited Activities

Funds provided to employers for incumbent worker, or any other work-based training may not be used to directly or indirectly:

- Assist, promote or deter union organizing
- Aid in the filling of a job opening which is vacant because the former occupant is on strike, or is being locked out in the course of a labor dispute involving a work stoppage.

Documentation and Data Entry

Overview of Data Entry

An individual who only receives Incumbent Worker Training and does not become a Title I program participant will not be included in the calculation of the State's primary indicators of performance for negotiations and accountability purposes.

However, states and Local WDBs are required to report the outcomes of individuals in receipt of IWT on the primary indicators of performance:

- Measurable skills gain
- Credential attainment
- Employed 2nd quarter after exit
- Employed 4th quarter after exit
- Median earnings

Although there are fewer required elements for an individual who receives only IWT and is not an Adult or Dislocated Worker, data entry for "IWT-only" individuals provides a record of the

success of IWT opportunities for monitoring the effectiveness of these contracts. The focus of data collection and reporting is on tracking the extent to which incumbent workers are employed after exit, wages over time after the training has ended, and whether measurable skill gains or credentials were attained. Attachment A provides a full list of required data elements as laid out in TEGL 10-16. States and local areas are still required to report participant and performance data on all individuals who receive only incumbent worker training.

For the purposes of calculating these metrics, the exit date for a participant who has only received IWT will be the last date of training, as indicated in the training contract. If the individual receiving IWT is also a participant in another program, the State is required to report that program's performance reporting information.

AOSOS Guidance

Participation Data Entry

Before training, local areas must record specific information about all participating incumbent workers in AOSOS. Critical information includes:

- Name
- Social Security Numbers (although this information is not required, the collection of this information is preferred to facilitate wage match and employment verification, otherwise these data must be obtained and entered manually)
- Employment status, should be Employed
- Job Seeker status, should be Inactive
- Employment Objective, O*Net code of training service
- Fill in the Work History tab
 - Job Title/Employer, enter employer information detail
 - Start date of employment (*ensure 6 months' history with employer*)
 - Earnings/Wages prior to training
 - Reason for Leaving, Still Employed
 - Job Duties, brief description of current job duties

Please note that the SkillUp Data Entry Policy WD-PY21-1 offers default data entry options when entering information about WIOA Reportables and "green dot" information is not available.

Provider and Training Data Entry

After creating or updating individual records with participant information, local areas must record information about the training service in the participant record, as well as an activity highlighting employer engagement in the participating employer's record.

Provider Details

Before entering a funded service into participant records, local areas must create a provider associated with the Local WDB specific to Incumbent Worker Training in the "Provider" module,

i.e, County WDB – Incumbent Worker Training. A specific service and offering must be set up in that provider’s record that is specific to each unique Incumbent Worker Training contract. The new service added must include the following information:

- Service Category is Training
- Service Type is Workplace Training
- Service Name is the Name of the Employer receiving the IWT
- Service Description is Incumbent Worker Training
- O*Net Title must be entered that aligns with the Job Title of participants
- CIP code must be entered that aligns with the instructional focus

Employer Activity

In addition to capturing information about the training and employer in the “Provider” module, an activity must also be entered in the employer’s record in the “Employer” module to report this employer engagement on the PIRL. The “Incumbent Worker Training” activity must be selected in the employers record in the “Employer” module. If you cannot find the employer listed, please click on the “Links” selection to download the “New Employer Request Form” or the “Employer Record Update Request Form.” Complete the relevant form and submit, and someone from NJDOL will be in contact.

Funded Service

Additionally, a funded service “Workplace Training” must be scheduled highlighting training information and details that align with service details entered in the “Provider” module. Specific details about the training must be entered in the “Services” tab in the “Services” module. Some fields pre-populate when entering a new service from the existing offering:

- Service Description (Training)
- Service Type (Workplace Training)
- Provider Name
- O*Net Title

In addition, the following information needs to be added to the “Services” tab:

- Planned Start Date, Planned End Date, and Actual Start Date
- Program Service Type is Non-ITA Training
- Offering Cost must be entered
- The funding source must be WIOA Dislocated Worker or Adult depending on what funds your local area has set aside for Incumbent Worker Training
- The “Yes” answer must be entered on the Yes/No Incumbent Worker button (This removes the individuals from being enrolled as a Title I participant and from performance measures)

If this training is part of a Rapid Response event, the RR Event # must be entered as well.

Once the service has been entered, check that the IWT-Incumbent Worker Training (Standalone) and WIOA Reportable dates have populated in Pgms/PA (and that Adult and Dislocated Worker dates have not populated).

Finally, additional details about the training, including training focus, any additional parties involved in the training, and expected dates of the training must be entered as a Comment in the “Services” tab.

Outcomes Data Entry

Although IWT participants are not included in performance measures, training and employment outcomes must be collected and entered to ensure that the intended impact of the IWT is in fact achieved.

The “Training Outcomes” tab in the “Services” module must be updated to include:

- Category must be entered as Occupational Skills/Advanced Training
- Tracking training completion
- Measurable Skill Gains – Enter Skills Progression as the Measurable Skill Gain
- Any Credential Attainment Outcomes aligned with the training plan

In addition, the “Employment Outcomes” tab in the “Services” module must be updated to include:

- New Job Titles
- Earnings/Wages post training
- Employment retention – ongoing employment after 6 months

Finally, a comment must be included in the “Comments” tab in the “Services” module summarizing any additional information related to the participant’s experience and satisfaction with the training.

If the participants submitted Social Security Numbers, the Employer Lookup Button may also be used to verify wages.

For more information regarding, AOSOS data entry, please refer to the [AOSOS Technical Guide for Title I Service Delivery](#).

References

- WIOA sec. 3(23); WIOA sec. 134 (d) (4); 20 CFR 680.780; 20 CFR 680.830; 20 CFR 680.840; 20 CFR 680.880
- TEGL 10-16 Change 1 page 43-44 and Attachment 8: [TEGL 10-16-Change1.pdf \(doleta.gov\)](#)
- TEGL 19-16 (pages 15-18): https://wdr.doleta.gov/directives/attach/TEGL/TEGL_19-16.pdf
- DOLETA Incumbent Worker Training Desk Reference: https://ion.workforcegps.org/-/media/Communities/ion/Files/Guidance-on-WIOA/IWT-Desk-Reference-2,-d-,14,-d-,2017.ashx?sc_lang=en

Contact: Inquiries regarding this policy should be directed to WIOAPolicy@dol.nj.gov.

Attachment A: Incumbent Worker Training Required Data Elements from TEGL 9-16

Element #	Element Name	Primary Collection Method
100	Unique Individual Identifier	Local/State
101	State Code of Residence	Local/State
108 – A	ETA-Assigned 1st Local Workforce Board Code	Local/State
403	Occupational Code of Most Recent Employment Prior to Participation (if available)	Employer
404	Industry Code of Employment 1st Quarter Prior to Participation	Employer
900	Date of Program Entry	Local/State
901	Date of Program Exit	Local/State
907	Recipient of Incumbent Worker Training	Local/State
908	Rapid Response (if applicable)	Local/State
1501	Most Recent Date Received Rapid Response Services (if applicable)	Local/State
1600	Employed in 1st Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records; If SSN not provided – employer follow-up
1601	Type of Employment Match 1 st Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1602	Employed in 2nd Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1603	Type of Employment Match 2nd Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1604	Employed in 3rd Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1605	Type of Employment Match 3rd Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1606	Employed in 4th Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1607	Type of Employment Match 4th Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1618	Retention with the same employer in the 2nd Quarter and the 4th Quarter (WIOA)	If SSN – UI wage records
1703	Wages 1st Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records

Element #	Element Name	Primary Collection Method
1704	Wages 2nd Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1705	Wages 3rd Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1706	Wages 4th Quarter After Exit Quarter (WIOA)	If SSN – UI Wage records
1800	Type of Recognized Credential (WIOA)	Employer follow-up
1801	Date Attained Recognized Credential (WIOA)	Employer follow-up
1806	Date of Most Recent Measurable Skill Gains: Educational Achievement (WIOA)	Employer follow-up
1807	Date of Most Recent Measurable Skill Gains: Secondary Transcript/Report Card (WIOA)	Employer follow-up
1808	Date of Most Recent Measurable Skill Gains: Post-Secondary Transcript/Report Card (WIOA)	Employer follow-up
1809	Date of Most Recent Measurable Skill Gains: Training Milestone (WIOA)	Employer follow-up
1810	Date of Most Recent Measurable Skill Gains: Skills Progression (WIOA)	Employer follow-up
1811	Date Enrolled in Education or Training Program Leading to a Recognized Postsecondary Credential or Employment During the Program (WIOA)	Employer follow-up
1501	Most Recent Date Received Rapid Response Services **Required for IW only if IWT funded with RR funds (WIOA sec. 134(a)(2)(A))	Local/State

**Union County Workforce Development Board
WIOA Title I Work-Based Learning Policy**

Policy Number:	UCWDB-2026-09
Effective Date:	January 28, 2026
Supersedes:	Work Based Learning Policy (Resolution 2022-42)
Review Date:	Annually

Section 1: Purpose and Authority

1.1 Purpose

This policy establishes the framework for work-based learning (WBL) programs administered by the Union County Workforce Development Board (UCWDB) and its designated service providers. Work-based learning encompasses employer-driven training strategies that connect participants with workplace experiences while building occupational skills aligned with career pathways in in-demand industries.

Work-based learning programs covered under this policy include:

- On-the-Job Training (OJT)
- Incumbent Worker Training (IWT)
- Registered Apprenticeship (RA)
- Pre-Apprenticeship Programs
- Work Experience (including Youth Work Experience)
- Transitional Jobs
- Customized Training

1.2 Applicability

This policy applies to WIOA Title I Adult, Dislocated Worker, and Youth programs, as well as Work First New Jersey (WFNJ) participants served through TANF and SNAP Employment and Training funds where work-based training is an approved activity.

This policy applies to:

- All staff of the American Job Center of Union County (AJCUC)
- WIOA Title I service providers operating under contract with UCWDB
- WFNJ service providers delivering TANF and SNAP E&T services
- Employers participating in work-based training programs
- UCWDB staff responsible for program oversight and monitoring

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WIOA Title I Work-Based Learning Policy

1.3 Regulatory Authority and Legal Basis

A. Federal Statutes:

- **Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128**
- **WIOA Section 3(24)** - Definition of Individual with Barriers to Employment
- **WIOA Section 3(44)** - Definition of On-the-Job Training
- **WIOA Section 101(8)** - Registered Apprenticeship Programs
- **WIOA Section 122(a)(3)** - Eligible Training Provider Requirements
- **WIOA Section 134(c)(3)** - Training Services
- **WIOA Section 134(d)(4)** - Incumbent Worker Training
- **WIOA Section 134(d)(5)** - Transitional Jobs
- **WIOA Section 181(b)(7)** - Union Organizing Prohibition

B. Federal Regulations:

- **20 CFR 680.700-680.760** - On-the-Job Training
- **20 CFR 680.770-680.780** - Customized Training and Incumbent Worker Eligibility
- **20 CFR 680.790-680.820** - Incumbent Worker Training
- **20 CFR 680.830-680.850** - Transitional Jobs and Work-Based Training Prohibitions
- **20 CFR 680.170** - Work Experience for Adults and Dislocated Workers
- **20 CFR 680.230** - Coordination of Training Funds (Payer of Last Resort)
- **20 CFR 681.590-681.600** - Youth Work Experience Requirements
- **2 CFR Part 200** - Uniform Administrative Requirements (Uniform Guidance)
- **2 CFR 2900.8** - DOL Exceptions to Uniform Guidance

C. Federal Guidance:

- **TEGL 3-15** (July 2015) - Operating Guidance for WIOA
- **TEGL 10-16, Change 2** - Performance Accountability Guidance
- **TEGL 13-16** - Registered Apprenticeship Performance
- **TEGL 19-16** (March 2017) - WIOA Title I Training Services Guidance

D. State Guidance:

- **NJWIN 13-15** - Training Contracts and Work-Based Training (January 2016)
- **NJWIN WD-PY21-3.1** - On-the-Job Training Policy (October 2021, revised December 2023)
- **NJWIN WD-PY21-4** - Incumbent Worker Training Policy (December 2021)
- **NJDOL WIOA Apprenticeship Policy**

Section 2: Core Principles

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WIOA Title I Work-Based Learning Policy

2.1 Payer of Last Resort

Per **20 CFR 680.230**, WIOA funds for work-based training may only be used when other sources of training funds are unavailable. One-stop operators must coordinate training funds available and make funding arrangements with one-stop partners and other entities. Staff must consider the availability of other sources of grants to pay for training costs such as Temporary Assistance for Needy Families (TANF), State-funded training funds, and Federal Pell Grants, so that WIOA funds supplement other sources. Local areas must be able to demonstrate that they have identified and used other program funds when they are available to a customer.

2.2 Employer-Employee Relationship

All work-based learning activities must comply with Fair Labor Standards Act (FLSA) requirements for employer-employee relationships. Participants must receive wages and benefits comparable to similarly situated employees performing the same work.

2.3 Union Organizing Prohibition

Per **WIOA Section 181(b)(7)** and **20 CFR 680.850**, funds provided to employers for work-based training must not be used to directly or indirectly assist, promote, or deter union organizing. OJTs are not intended to impair any existing contracts for services or collective bargaining agreements. When a program or activity authorized under Title I of WIOA would be inconsistent with a collective bargaining agreement, the appropriate labor organization and employer must provide written concurrence before the program or activity begins.

2.4 Non-Displacement

Work-based learning participants must not displace currently employed workers, including partial displacement through reduced hours, wages, or benefits. A participant will not be employed in or assigned to a job if: (a) any other individual is laid off from the same or substantially equivalent job; (b) the employer has terminated employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in workforce with the intention of filling the vacancy with the participant; or (c) the job is created in a promotional line that infringes on the promotional opportunities of currently employed workers.

2.5 Relocation Prohibition

Funds must not be used for any business that has relocated from another location in the United States until the company has operated at the new location for 120 days, if the relocation has resulted in any employee losing his or her job at the original location.

Section 3: Eligibility and Priority Populations

3.1 Participant Eligibility

Work-based learning participants must meet WIOA Title I eligibility requirements for Adult, Dislocated Worker, or Youth programs. Additionally, participants must have:

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- Documented WIOA eligibility recorded in AOSOS prior to service enrollment
- Completed Individual Employment Plan (IEP) or Individualized Service Strategy (ISS)
- Completed skills and needs assessment demonstrating training need
- Determination that participant is unlikely or unable to obtain or retain employment leading to economic self-sufficiency without additional training
- Assessment that participant has the skills and qualifications to participate successfully in the work-based learning opportunity

The participant's case file must contain a determination of need for training services as determined through ongoing assessment and career planning activities and informed by local labor market information and training provider performance information.

3.2 Priority Populations - Individuals with Barriers to Employment

Per **WIOA Section 3(24)**, priority for work-based learning services shall be given to individuals with one or more of the following barriers to employment:

Barrier Category	Definition/Criteria
Displaced Homemaker	Individual who has been providing unpaid services to family members; has been dependent on income of another family member but is no longer supported; and is unemployed or underemployed
Low-Income Individual	Individual receiving TANF/SNAP; income below poverty line or 70% of LLSIL; qualifies for free/reduced lunch; foster youth; homeless; or has disability
Indians, Alaska Natives, Native Hawaiians	As defined in WIOA Section 166
Individuals with Disabilities	Individual with physical or mental impairment that substantially limits major life activities
Older Individuals	Age 55 or older
Ex-Offenders	Individual with criminal history requiring assistance overcoming barriers to employment
Homeless Individuals	As defined in Violence Against Women Act Section 41403(6) or McKinney-Vento Homeless Assistance Act
Youth in/Aged Out of Foster Care	Individual currently in foster care or who has aged out
English Language Learners	Individuals with limited English ability
Low Levels of Literacy	Individual unable to function at level necessary on the job, in family, or in society
Substantial Cultural Barriers	Individuals facing substantial cultural barriers to employment
Migrant and Seasonal Farmworkers	As defined in WIOA Section 167(i)

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Exhausting TANF Lifetime Eligibility	Individuals within 2 years of exhausting lifetime eligibility
Single Parents	Including single pregnant women
Long-Term Unemployed	Unemployed for 27 or more consecutive weeks

3.3 Employer Eligibility (Eligible Entities)

Per **NJWIN WD-PY21-3.1**, employers participating in work-based learning programs must meet the following eligibility requirements:

- Registration for Unemployment Insurance (UI) and Disability Insurance (DI) taxes with New Jersey
- Current W-9 on file with the New Jersey Treasury
- Less than \$750 in open tax liability
- Current in unemployment insurance and workers' compensation taxes, penalties, and interest, and/or be on a related payment plan
- Compliance with applicable labor laws and regulations
- Demonstrated financial stability to complete training commitment
- No pattern of failing to provide continued long-term employment to work-based learning participants

Employers providing OJT are not subject to the requirements of the Eligible Training Provider List (ETPL) and are not included on the State list of eligible training providers and programs.

3.4 Ineligible Entities

The following entities are ineligible to participate in work-based learning programs:

- Employers who have exhibited a pattern of failing to provide OJT participants with continued long-term employment (per **20 CFR 680.700(b)**)
- Employers not registered for UI/DI taxes with New Jersey
- Employers without a current W-9 on file with the Treasury
- Employers with \$750 or more in open tax liability
- Employers delinquent on unemployment insurance or workers' compensation taxes without a payment plan
- Employers with documented labor law violations
- Employers who have laid off workers within 120 days to relocate from another state
- Employers involved in active labor disputes or strikes

3.5 Position Eligibility

Per **NJWIN WD-PY21-3.1**, positions must meet the following requirements to qualify for work-based training:

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- Position must pay at least the current New Jersey state minimum wage
- Position must provide a minimum of 30 hours per week
- Position must be on a career pathway towards higher level and/or higher paying jobs
- Employers engaging in OJTs for lower waged jobs must demonstrate career pathways leading to positions exceeding \$15.00 per hour
- Position must be in an in-demand occupation or demonstrate connection to local labor market needs

Individuals in work-based training must be compensated at the same rates as similarly situated trainees or employees and must be offered comparable benefits and working conditions.

Section 4: On-the-Job Training (OJT)

4.1 Definition and Purpose

Per **WIOA Section 3(44)** and **NJWIN WD-PY21-3.1**, On-the-Job Training (OJT) is 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
- Provides reimbursement to the employer of up to 50 percent of the wage rate for extraordinary training and supervision costs
- Is limited in duration to the occupation for which the participant is being trained
- Is clearly connected to a participant's goals and training plan

OJT opportunities help bridge employer skill demands and participant skill levels. OJT participants are not counted in Title I credential attainment measures. However, credential completion may count as a measurable skill gain performance outcome per **TEGL 10-16 Change 1**.

4.2 Training Contract Duration Requirements

Per **20 CFR 680.700(c)**, an OJT contract must be limited to the period of time required for a participant to become proficient in the occupation. The following factors **MUST** be documented:

Factor (20 CFR 680.700(c))	Required Documentation
Skill Requirements of the Occupation	O*NET SVP time; job description with required competencies; industry standards
Academic and Occupational Skill Level	Assessment results (CASAS, TABE, etc.); educational credentials; certifications held
Prior Work Experience	Employment history; transferable skills analysis; relevant work experience documentation
Individual Employment Plan (IEP)	Training goals; career pathway alignment; identified skill gaps; supportive service needs

4.3 Reimbursement Rates and Payment Process

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Per **NJWIN WD-PY21-3.1**, the maximum amount for each WIOA-funded OJT per participant should not exceed \$10,000 over a six-month period. Local WDBs will typically reimburse an eligible employer up to 50 percent of an OJT participant's wage rate.

Reimbursement Calculation Formula:

Reimbursement Amount = (Approved Training Hours × Hourly Wage Rate × Reimbursement Percentage)

Payment Process:

1. Employer submits monthly invoice with timesheet documentation
2. Case Manager verifies training hours against participant timesheet and payroll records
3. Program Manager reviews and approves reimbursement request
4. Fiscal Department processes payment within 30 days of approval

4.4 Increased Reimbursement Rate (Up to 75%)

Per **20 CFR 680.730** and **NJWIN WD-PY21-3.1**, Local WDBs may increase the reimbursement level to up to 75 percent. Per **20 CFR 680.730(b)**, Local Boards **MUST** document the factors used:

Factor (20 CFR 680.730)	Consideration	Required Documentation
Participant Characteristics	Individual with barriers to employment per WIOA Section 3(24)	Barrier verification checklist; supporting documentation
Employer Size	Small businesses (50 or fewer employees)	Employee count certification; business size documentation
Quality of Training	In-demand occupation; industry-recognized credential	Training plan; credential goals; HPO list verification
Other Local Factors	Number of employees; wage and benefit levels	Wage progression plan; benefits documentation

4.5 Waiver Requirements

Per **NJWIN WD-PY21-3.1**, a waiver must be requested by the Local WDB for:

- The funded amount of an OJT exceeds \$10,000 over a six-month period
- The funded period exceeds six months
- The employer reimbursement exceeds 50%

The waiver must be requested prior to the commencement of the OJT. Submit to WIOAPOD@dol.nj.gov using the OJT Waiver Request Form (Attachment B).

4.6 OJT for Employed Workers

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Per **NJWIN WD-PY21-3.1**, an individual who is employed may qualify for an OJT if they are considered underemployed:

- Currently working but not earning the self-sufficient wage (100% LLSIL)
- Currently working in a temporary capacity and OJT facilitates transition to full-time employment
- Training relates to new technologies, new procedures, upgrading to new jobs, or workplace literacy

4.7 Training Plan Development

Per **NJWIN WD-PY21-3.1**, employers, local WDB staff, and OJT participants must co-develop specific training plans. Key elements include:

- **Job Description:** Obtained from employer or developed with WDB assistance
- **Skill Requirements:** List of skills needed to perform the job
- **Participant's Starting Capability:** Assessment of trainee's current skills
- **Participant's Ending Capability:** Assessment at training's end
- **Training Length:** Period required for proficiency

A sample OJT Training Plan is included as Attachment A. The training contract must be signed by the local WDB, the employer, and the employee.

Section 5: Incumbent Worker Training (IWT)

5.1 Definition and Purpose

Per **20 CFR 680.790** and **NJWIN WD-PY21-4**, Incumbent Worker Training (IWT) is training designed to meet the special requirements of an employer to retain a skilled workforce or avert the need to lay off employees.

The two key objectives of IWT are to:

- Help avert potential layoffs of employees, or
- Increase the skill levels of employees so they can be promoted and create backfill opportunities

5.2 Incumbent Worker Eligibility

Per **20 CFR 680.780** and **NJWIN WD-PY21-4**, to qualify as an incumbent worker, the individual must be:

- Employed with an established employer-employee relationship meeting FLSA requirements
- Have an established employment history with the employer for 6 months or more
- A U.S. Citizen or otherwise authorized to work in the U.S.

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- Age 18 or older
- Registered with Selective Service (if applicable)

IMPORTANT: An incumbent worker does not have to meet WIOA eligibility requirements unless also enrolled as a Title I participant. Individuals who receive only IWT are reported as WIOA Reportables and are not included in WIOA performance accountability calculations.

5.3 IWT Employer Eligibility Criteria

Per **20 CFR 680.810** and **NJWIN WD-PY21-4**, the Local Board must consider criteria including: participant characteristics, employer impact, participant impact, unique value, connection to in-demand occupations, and employer standing.

5.4 Employer Cost Share Requirements

Per **WIOA Section 134(d)(4)(D)** and **NJWIN WD-PY21-4**:

Employer Size (Number of Employees)	Minimum Employer Share
50 or fewer employees	10 percent of training cost
51 to 100 employees	25 percent of training cost
More than 100 employees	50 percent of training cost

The employer's payment can be cash payments, fairly evaluated in-kind contributions, or both. Per **2 CFR 2900.8**, employer share must be reported on the ETA-9130 quarterly financial report.

5.5 IWT Funding Limits

Per **WIOA Section 134(d)(4)(A)** and **NJWIN WD-PY21-4**:

- Local WDBs may reserve up to 20 percent of combined Title I Adult and Dislocated Worker allocations for IWT
- IWT in local government entities must not exceed 10 percent of combined allocations

5.6 Upskill/Backfill Strategy

Per **NJWIN WD-PY21-4**, UCWDB is encouraged to develop an upskill/backfill strategy to fill jobs vacated by workers advancing through IWT with other WIOA participants.

5.7 Selection of Training Providers

Per **NJWIN WD-PY21-4**, generally the employer selects and procures the training provider. These entities do not have to be on the ETPL.

Section 6: Other Work-Based Learning Programs

6.1 Registered Apprenticeship (RA)

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Per **NJWIN 13-15** and **WIOA Section 122(a)(3)**, Registered Apprenticeship is an important component of training services. RAPs registered with NJDOL or US DOL automatically qualify for the ETPL.

WIOA funding options for RA include: Individual Training Accounts (ITA), OJT contracts, combination of ITA and OJT, and incumbent worker training for upskilling apprentices.

6.2 Pre-Apprenticeship Programs

Pre-apprenticeship programs prepare participants for entry into Registered Apprenticeship programs and must include: training aligned with employer needs, career counseling, hands-on learning, credential opportunities, and partnerships with RA programs.

6.3 Transitional Jobs

Per **20 CFR 680.830-680.840**, transitional jobs are time-limited, subsidized work experiences for individuals with barriers to employment who are chronically unemployed.

Key Requirements:

- Per **20 CFR 680.840**, transitional jobs **MUST** be combined with comprehensive career services and supportive services
- **Funding Limit:** Up to 10 percent of combined Adult and Dislocated Worker allocations
- **Minimum Wage:** At least \$15.00 per hour for Union County participants

6.4 Work Experience

Per **20 CFR 680.170** and **20 CFR 681.590**, work experience is a planned, structured learning experience in a workplace for a limited period of time.

Youth Work Experience Requirement: Local areas must expend a minimum of 20 percent of non-administrative Youth program funds on work experience activities.

6.5 Customized Training

Per **20 CFR 680.760**, customized training is training designed to meet employer requirements with a commitment to employ upon completion and employer pays minimum 50 percent of cost.

6.6 Pay-for-Performance Contract Strategy

Per **WIOA Section 134(c)(3)(G)(ii)**, no more than 10 percent of local funds may be spent on pay-for-performance contract strategies.

Section 7: Documentation Requirements

7.1 Universal Documentation

All work-based learning participant files must include:

- WIOA Title I eligibility determination documentation

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- Individual Employment Plan (IEP) or Individualized Service Strategy (ISS)
- Skills and needs assessment results
- Barrier to employment verification (if applicable)
- Training plan aligned with career pathway

7.2 OJT-Specific Documentation

Per **NJWIN WD-PY21-3.1**, OJT participant files must include:

Document Type	Required Elements
OJT Contract	Occupation; training duration; wage rate; reimbursement rate; competencies; signatures
Training Duration Justification	Documentation of 20 CFR 680.700(c) factors
75% Reimbursement Justification	Documentation of 20 CFR 680.730 factors (if applicable)
Employer Eligibility Verification	UI/DI registration; W-9; tax liability; prior performance history
Training Plan (Attachment A)	Job description; skill requirements; capability assessments
Monthly Invoices and Timesheets	Training hours; wage documentation; payroll verification
Progress Reports	Skill attainment tracking; competency achievement
Waiver Request (if applicable)	NJDOL OJT Waiver Request Form (Attachment B)

7.3 IWT-Specific Documentation

Per **NJWIN WD-PY21-4**, IWT participant files must include:

- Six-month work history documentation
- Employer eligibility verification per **20 CFR 680.810** criteria
- Employer size verification for cost share calculation
- Cost share calculation and documentation
- Training plan with expected outcomes
- Employer commitment to retention or layoff aversion
- Selective Service registration verification
- Data sharing agreement

Section 8: Approval Authority

Activity	Approval Level	Additional Requirements
OJT up to \$10,000/6 months at 50%	Program Manager	Standard documentation

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OJT at 51-75% reimbursement	WDB Director	75% Reimbursement Justification Form
OJT exceeding \$10,000 or 6 months	WDB Director + NJDOL POD Team	NJDOL OJT Waiver Request Form
OJT reimbursement exceeding 50%	WDB Director + NJDOL POD Team	NJDOL OJT Waiver Request Form
IWT Contracts	WDB Director	Employer eligibility verification
Work Experience (Youth)	Program Manager	20% expenditure tracking required
Transitional Jobs	WDB Director	Must combine with career and supportive services

Section 9: Reporting, Data Entry, and Record Retention

9.1 AOSOS Data Entry Requirements

Per **NJWIN WD-PY21-3.1** and **WD-PY21-4**, all work-based learning activities must be entered in AOSOS within 5 business days of occurrence.

9.2 Reporting Requirements

- **Monthly:** Youth work experience expenditures tracked against 20% requirement
- **Quarterly:** IWT employer share reported on ETA-9130; participant outcomes reported in AOSOS
- **Quarterly:** OJT participant progress and outcomes

9.3 Record Retention

All work-based learning documentation must be retained for a minimum of three (3) years from the date of the final expenditure report, or until all audits, claims, and litigation matters are resolved, whichever is longer.

Section 10: Monitoring and Internal Controls

10.1 OJT Monitoring Requirements

Per **NJWIN WD-PY21-3.1**, OJT program monitoring must include:

- Onsite reviews to ensure quality training experiences and validity of employer costs
- Documentation of participant and supervisor feedback on training progress
- Review of employer payroll records
- Minimum of monthly communication with the employer

Past performance based on monitoring must be considered in establishment of future contracts with employers.

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10.2 Internal Controls

- Separation of duties between programmatic and fiscal functions
- On-site monitoring visits during the training period
- Employer performance tracking for retention patterns per **20 CFR 680.700(b)**
- Invoice verification against timesheets, payroll records, and contract terms
- Review of training plans, contracts, and implemented activities
- Assessment that cost of WBL opportunity is commensurate with benefit

Section 11: Equity and Accessibility

UCWDB is committed to ensuring equitable access to work-based learning opportunities for all eligible individuals.

- **Non-Discrimination:** All activities shall comply with civil rights and non-discrimination requirements
- **Language Access:** Services and materials shall be available in appropriate languages
- **Disability Accommodations:** Reasonable accommodations shall be provided per ADA requirements
- **Trauma-Informed Approaches:** Staff shall utilize trauma-informed practices
- **Priority Population Recruitment:** Active outreach to priority populations per **WIOA Section 3(24)**

Section 12: Performance Measures

Per **TEGL 10-16 Change 2** and **NJWIN WD-PY21-3.1:**

- OJT and customized training are excluded from credential attainment performance indicator
- Credential completion may count as a measurable skill gain performance outcome
- Registered Apprenticeship can result in credential attainment performance outcome
- IWT participants not enrolled as Title I participants are reported as WIOA Reportables

Section 13: Definitions

Term	Definition
AJCUC	American Job Center of Union County, the one-stop career center
AOSOS	America's One-Stop Operating System, NJ's workforce data management system
Customized Training	Training designed to meet employer requirements with commitment to employ

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ETPL	Eligible Training Provider List - state-maintained list of approved providers
High Priority Occupations	In-demand job categories with higher skill needs and family-sustaining wages
Incumbent Worker	Individual employed with 6+ month employment history with employer
Individual Employment Plan (IEP)	Individualized career service plan with employment goals
Individualized Service Strategy (ISS)	Service plan for WIOA Youth participants
Individual with Barriers to Employment	Member of populations defined in WIOA Section 3(24)
LLSIL	Lower Living Standard Income Level, income criteria published annually by US DOL
On-the-Job Training (OJT)	Training by employer to paid participant with reimbursement for training costs
POD Team	WIOA Title I Program Oversight and Development team at NJDOL
Pre-Apprenticeship	Programs preparing participants for Registered Apprenticeship
Registered Apprenticeship (RA)	Employer-driven earn and learn model registered with NJDOL or US DOL
Small Business	Employer with 50 or fewer employees
Transitional Jobs	Time-limited subsidized work experiences for individuals with barriers
WIOA Reportables	Individuals reported to USDOL but not included in performance calculations
Work Experience	Planned structured learning experience in a workplace

Section 14: References

A. Federal Statutes and Regulations:

- Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128
- 20 CFR Part 680 - Adult and Dislocated Worker Activities under Title I of WIOA
- 20 CFR Part 681 - Youth Activities under Title I of WIOA
- 2 CFR Part 200 - Uniform Administrative Requirements
- 2 CFR Part 2900 - DOL Exceptions to 2 CFR Part 200

B. TEGLs and USDOL Guidance:

- TEGL 3-15 - Operating Guidance for WIOA
- TEGL 10-16, Change 2 - Performance Accountability Guidance

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- TEGL 13-16 - Guidance on Registered Apprenticeship
- TEGL 19-16 - Guidance on Adult and Dislocated Worker Services

C. State Guidance (NJWINS):

- NJWIN 13-15 - Training Contracts and Work-Based Training
- NJWIN WD-PY21-3.1 - On-the-Job Training Policy
- NJWIN WD-PY21-4 - Incumbent Worker Training Policy
- NJDOL WIOA Apprenticeship Policy

Section 15: Action

This policy directive shall be made available to all AJCUC and Title I service provider staff. Training on policy requirements shall be conducted within 30 days of adoption. All staff involved in work-based learning activities must acknowledge receipt and understanding of this policy.

Section 16: Attachments

The following attachments are incorporated by reference into this policy:

- **Attachment A:** OJT Training Plan Template (per NJWIN WD-PY21-3.1)
- **Attachment B:** NJDOL OJT Waiver Request Form (per NJWIN WD-PY21-3.1)
- **Attachment C:** IWT Employer Eligibility Checklist
- **Attachment D:** 75% Reimbursement Justification Form
- **Attachment E:** Barriers to Employment Verification Checklist
- **Attachment F:** Training Duration Justification Form
- **Attachment G:** UCWDB Supportive Services Policy (Reference)
- **Attachment H:** TEGL 3-15 (Reference)
- **Attachment I:** NJWIN 13-15 (Reference)
- **Attachment J:** NJWIN WD-PY21-3.1 (Reference)
- **Attachment K:** NJWIN WD-PY21-4 (Reference)

Section 17: Inquiries and Technical Assistance

Union County Workforce Development Board

Meredith Barracato, MPA
Policy and Strategic Planning Advisor
Email: meredith.barracato@ucnj.org

New Jersey Department of Labor and Workforce Development

WIOA Policy and Operations Division
Email: WIOAPOD@dol.nj.gov