PY 2015 LOWCOUNTRY WORKFORCE INSTRUCTION NUMBER 02

TO: Lowcountry Workforce Innovation and Opportunity Act Contractors/Service Providers/Sub-recipients/One-Stops

FROM: MICHAEL V. BUTLER
Lowcountry Workforce Development Director

ISSUANCE DATE: September 23, 2015

EFFECTIVE DATE: July 1, 2015

REVISED DATE: November 17, 2021

SUBJECT: On-the-Job Training (OJT) Reimbursement Rate

EXPIRATION DATE: Indefinite

PURPOSE:
The purpose of this instruction is to transmit the Lowcountry Workforce Board’s On-the-Job Training Employer Reimbursement Rate under the Workforce Innovation and Opportunity Act.

REFERENCES:
Workforce Innovation and Opportunity Act (Public Law 113-128)
- WIOA Sections 3(44) and 134(c)(3)(H)

BACKGROUND:
On-the-job training (OJT) means training by an employer that is provided to a paid participant while engaged in productive work in a job that—
(A) provides knowledge or skills essential to the full and adequate performance of the job;
(B) is made available through a program that provides reimbursement for the extraordinary costs of providing the training and additional supervision related to the training; and
(C) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.
OJT is provided under a contract with an employer in the public, private nonprofit, or private sector. Through the OJT contract, occupational training is provided for the WIOA participant in exchange for the reimbursement of a percentage of the wage rate of the participant, for the extraordinary costs of providing the training and supervision related to the training.

The local board may increase the amount of the OJT reimbursement up to 75 percent of the wage rate of the participant taking into account a number of factors including the size of the employer.

South Carolina Department of Employment and Workforce has an active policy regarding Business Size Classification. The South Carolina Department of Employment and Workforce addresses any business establishment with less than 50 employees a small business. This standard is widely used, including by the South Carolina Department of Commerce and the South Carolina Chamber of Commerce. Businesses with 50-249 employees are considered medium size, and those with 250 or more employees are considered large. This definition is based on establishments, not firms. Bureau of Labor Statistics defines "firm" as a collection of establishments that use the same employer identification number issued by the IRS. This definition includes all establishments that share an EIN, regardless of the number of states in which the establishments are located or the number of industry sectors in which they operate. An EIN generally identifies a single company although some large, diverse companies may have more than one EIN to identify different operating units. Therefore, a small unit (less than 50 employees) of a large corporation is considered a small business under this definition.

POLICY:

The Lowcountry Workforce Board hereby determines that based on the size of the employer the following reimbursement rate applies:

- Business with 1-249 employees (Small and Medium) size business may receive a seventy-five (75%) percent wage reimbursement rate for On-the-Job Training
- Businesses with 250 or more employees (large) may receive a fifty (50%) percent wage reimbursement rate for On-the-Job Training.

ACTION:

The information provided herein should be reviewed by all LWIOA Contractors/Service Providers/Sub-recipients/One-Stops, a copy should be maintained in a central location, and distributed to all applicable staff. All appropriate deletion of out-dated information and replacement with current information should be made to all Manuals (Eligibility Manual, One Stop Manual, etc.).

CONTACT:

Questions regarding this instruction should be directed to Shelly Campbell, Lowcountry Workforce Development Area, Lowcountry Council of Governments, Post Office Box 98, Yemassee, SC 29945, scampbell@lowcountrycg.org.