


Incumbent Worker Training Policy
Policy #P-8-5.22

Date: October 26, 2023
Re: Guidance on utilizing WIOA funds to support incumbent worker training.

Initial Approval: August 4, 2022
Recent Approval: November 9, 2023

References: WIOA Section (3)(44)
WIOA Section 134(c) (3)(h)
20 CFR §680.530
20 CFR §680.780-820

Relevant Forms SCPa Works Incumbent Worker Training Application and Contract

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I. Purpose:

- A. This policy aims to communicate to SCPa Works vendors how Incumbent Worker Training (IWT) funds should be utilized in South Central PA.
- B. Under Section 134(d)(4) of WIOA, local workforce development boards can use up to twenty (20) percent of Adult and Dislocated worker funds to provide for the federal share of the cost of providing Incumbent Worker Training (IWT).
- C. This policy provides guidance on how to serve Registered Apprentices who are actively enrolled in a Registered Apprenticeship Program and have acquired a signed Apprenticeship Agreement, and are in need of upskilling in order to progress in the Registered Apprenticeship Program.
 - 1. The CWDS service code for existing Adult Registered Apprentices receiving IWT funds should be entered into CWDS as WTS15.
 - 2. The CWDS service code for existing Out-of-School Youth Registered Apprentices receiving IWT funds should be entered into CWDS as WYS15.
 - 3. All IWT policy contained in this document pertains to existing Registered Apprentices and should be adhered to during the process of funding apprenticeship activities with IWT funds.

II. Background:

- A. Incumbent worker training (IWT) is designed to meet the special requirements of an employer, including a group of employers, to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining advanced skills necessary to retain employment.
- B. IWT is conducted with a commitment by the employer to retain or avert the layoff of the incumbent worker.

- C. IWT funds will target participants in high-demand occupations and sectors to acquire new skills allowing the worker to move into a higher-skilled and higher-paid job within the company.
 1. This strategy is directly focused on moving incumbent workers into positions that pay a living wage.
 2. A living wage is defined as the hourly rate that an individual must earn to support a family, depending on location, the number of dependents, and number of working adults in the household.
 - a. Lower Living Standard Income Level (LLSIL) income charts can be found at: dol.gov/agencies/eta/llsil
 3. Incumbent Worker Training funding preference will be given to IWT programming that results in an industry-recognized credential or certificate for the participant.

III. Definitions:

Incumbent Worker: An established worker who has been employed in a situation that meets the Fair Labor Standards Act requirements for an employer-employee relationship, and who has an established employment history with the employer for six (6) months or more.

- a) An incumbent worker does not have to meet WIOA/TANF eligibility requirements for career and training services unless the individual is formally enrolled as an eligible participant in an active program.

Incumbent Worker Training: Training that is intended to meet the requirements of an employer or group of employers to retain a skilled workforce or avert the need to lay off employees lacking specific skills. This WIOA-funded training ensures that the process:

- a) Provides knowledge and skills essential to the full and adequate performance of the occupation;
- b) Provides reimbursement to the employer for the 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; and
- d) Meets the requirements of an employer or group of employers 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.

IV. Eligibility Requirements:

A. Participant Eligibility

1. For an individual to qualify for IWT under the SCPa Works guidelines, the candidate must meet the following requirements:
 - a. A U.S. citizen or otherwise legally entitled to work in the U.S.;
 - b. Age 18 or older;
 - c. Currently employed, and have an established employment history with the employer for six (6) months or more;
 - i. Registered Apprentices are exempt from the IWT employment duration requirement and may receive IWT funding under Registered Apprenticeship at any time following their entry into a Registered Apprenticeship Program with proof of the Apprenticeship Agreement signed by all required parties.
 - d. The candidate must be employed to work a minimum of 32 hours per week;
 - i. The employee must be currently earning **between \$14.00 and \$22.00 an hour**; and

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- ii. In need of additional training to avert a layoff or to be retained with the company.
 - 1) Proof of need will be collected by the service provider from the employer.
- e. Preference will be given to those who earn less than a living wage, based on the LLSIL.

V. Employer Eligibility:

- A. Potentially eligible employers that are able to participate in IWT contracting include private-for-profit businesses, private non-profit organizations, public sector employers, and Registered Apprenticeship Program employers and sponsors.
 - 1. An employer will NOT be eligible to receive IWT training reimbursements if:
 - a. The employer has any other individual on layoff from the same or substantially equivalent position;
 - b. The IWT would infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours;
 - c. The same or a substantially equivalent position is open due to a hiring freeze;
 - d. The positions are for seasonal employment;
 - e. The employer is a private, for-profit employment agency, i.e. temporary employment agency, employee leasing firm, or staffing agency; or
 - f. The position is not full time, i.e. minimum of 32 hours per week.

VI. Occupational Eligibility:

- A. IWT dollars must be used for High Priority Occupations (HPOs) which lead to employment opportunities enabling the participant to become economically self-sufficient, which will contribute to the occupational development and upward mobility of the participant.
 - 1. Registered Apprenticeship Program employers and sponsors are automatically considered High Priority Occupations within in-demand industry sectors.
- B. At the time of completion of the IWT program, individuals must be employed in occupations that meet the following criteria:
 - 1. Hourly wage must be at or above **\$19.00 per hour**.
 - a. The employer must guarantee a wage increase upon completion of the IWT training, as documented on the IWT Application.
 - 2. The occupation must be a full-time, permanent position consisting of a minimum of 32 hours per week following the training.

VII. Policy:

- A. SCPa Works will provide a lifetime maximum amount of **\$ 7,500.00** per eligible incumbent worker to subsidize classroom instruction, on-the-job learning, or a combination of both.
- B. Funding is provided through employer reimbursement until the lifetime maximum per employee is exhausted, or until the maximum IWT duration of **12 months** is expired.
- C. General Incumbent Worker Training Requirements:
 - 1. All IWT requests for funding must be submitted for approval to SCPa Works Programs Department.
 - a. Funding for IWT is determined by SCPa Works on a case-by-case basis.
 - 2. IWT contracts shall not be made with employers who have previously exhibited a pattern of failing to provide IWT participants with continued long-term employment with

increased wages, benefits, and working conditions that are equal to those provided to other existing employees who have worked a similar length of time and are doing the same type of work.

- a. Contracts are developed by the SCPa Works Programs, Compliance, and Policy Departments, and are unique to each IWT request and approval.
 - b. The SCPa Works Business Services, Fiscal, and Strategic Development Departments will be specifically consulted when necessary.
3. When funds are available for IWT within the SCPa Works service area, IWT contracts will be created for eligible individuals, constituted and carried out by SCPa Works, employers, and all contracted service providers involved in the IWT process and under the following guidelines:
- a. The employee is currently earning **between \$14.00 and \$22.00 an hour**.
 - i. Preference will be given to those who currently earn less than a living wage, based on location and the number of dependents supported by the employee, and who will receive a living wage after the training.
 - ii. Preference will be given to those who are veterans.
 - iii. For certain cases, where the employee is earning more than **\$22.00 per hour** or less than **\$14.00 per hour**, IWT funding can be used based upon SCPa Works' discretion if there is a strong case for a long-term outlook that includes the expectation of a worker earning higher wages, coupled with the anticipation of upward career mobility.
 - 1) All requests for exceptions to this policy are accepted by SCPa Works and considered for approval on a case-by-case basis.
 - b. The IWT is necessary to meet the requirements of an employer or group of employers 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.
 - c. Although IWT candidates do not need to prove WIOA eligibility, SCPa Works adheres to 20 CFR 683.200(g) to indicate that no individual may be placed in an employment activity if a member of that person's immediate family is directly supervised by or directly supervises that individual.
 - i. For the purpose of this policy, the term "immediate family" includes a spouse, child, parent, son-in-law, daughter-in-law, mother-in-law, father-in-law, sibling, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, and grandchild.
 - d. The training provider or employer delivering the IWT must be included on the Commonwealth of Pennsylvania Eligible Training Provider List (ETPL).
 - i. Not all PA Registered Apprenticeship Program employers and sponsors are included on the ETPL; however, all Registered Apprenticeship Program employers and sponsors are eligible to apply for and receive IWT funding for Registered Apprentices who have signed Apprenticeship Agreements.
 - e. Preference will be given to IWT funding that results in an industry-recognized credential or certificate for the participant.

D. Incumbent Worker Training Length

1. The maximum time frame for an IWT is six months; however, with permission from SCPa Works Programs Department, IWT can last up to 12 months.

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2. The duration of an IWT is a function of training needed, rather than the maximum allowed dollar amount listed under this policy.
3. All IWT candidates must complete the Occupational Information Network's (O*NET) Specific Vocational Preparation Range (SVP) assessment to determine the appropriate duration of training necessary.
 - a. Using the SVP provided by O*NET, the following duration times are recommended in addition to the participant's past skill and experience.

LEVEL	TIMEFRAME
Level 1	<1 month
Level 2	1 month
Level 3	>1 month - 3 months
Level 4	>3 months - 6 months
Level 5	>6 months
Level 6	>6 months
Level 7	>6 months
Level 8	>6 months
Level 9	>6 months

E. WIOA Incumbent Worker Training Funding Levels

1. Employers participating in IWT are required to pay the non-federal share, hereafter referred to as the “employer share,” of the cost of providing training to incumbent workers, per the sliding scale outlined below.
 - a. A lifetime maximum of **\$7,500.00** per trained worker is permitted under this policy.
 - b. SCPa Works will consider exceptions to the cap on training funds and the reimbursement schedule below on a case-by-case basis.
 - c. The employer share may be provided in cash or in-kind and may include the wages paid by the employer to a worker while the worker is attending the incumbent worker training program.
 - d. The level of SCPa Works reimbursement to the employer is determined by the employer size.
 - i. 50 or fewer employees = SCPa Works will reimburse 80% of the cost of training to the employer, up to **\$7,500.00** per Incumbent Worker participant
 - ii. 51-100 employees = SCPa Works will reimburse 60% of the cost of training to the employer, up to **\$7,500.00** per Incumbent Worker participant
 - iii. 101 and more employees = SCPa Works will reimburse 40% of the cost of training to the employer, up to **\$7,500.00** per Incumbent Worker participant
 - e. The number of employees at the time of the execution of the Incumbent Worker Training contract determines employer size.
 - f. **Note:** Consideration for changes to the reimbursement schedule will be considered for trainings in which the recipient receives an industry recognized credential, for employers utilizing SCPa Works IWT services for the first time, or for employers providing IWT in partnership with three or more additional employers.

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- g. SCPa Works incumbent worker training funds **may not be used** to pay for the wages of workers who are entering employment with the employer for the first time.
- h. Funds provided under this program are to be used for the cost of providing the training of existing employees, including the cost of developing the training or fees associated with the training program or training provider.

F. Employer Requirements





1. Registered Apprenticeship Program employers and sponsors are considered eligible to receive IWT funds for the training and upskilling of existing Registered Apprentices.
2. All participants shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work. This will include UC coverage where the employer is normally required to provide such coverage to its employees.
3. The position provides the participant benefits per company policy (i.e. insurance, paid leave, profit sharing) other than those required by law.
4. Employers who have financial responsibilities related to the receipt and disbursement of funding under the Agreement shall be covered by fidelity bonding.
5. The training to be provided will be in accordance with all Federal, State, and local labor laws and standards of operation.
6. The employer agrees to cooperate with monitoring efforts established by SCPa Works and applicable to local, state, and federal rules and regulations.
7. Funds are not used directly or indirectly to assist, promote, or deter union organizing.
8. The employer agrees to respond to SCPa Works/PA CareerLink® staff requests for wage and retention information of participants.
9. The employer commits to retain the trained employees for a period of a minimum of six months following the completion of training. Failure to do so may result in the employer being ineligible to receive further SCPa Works training funds for a period of one year.
10. If the participating employer(s) has recently relocated, resulting in the loss of employment of any employee of such business at the original location in the U.S., incumbent worker training contracts may not be granted to the employer until after 120 days have passed since the relocation.

G. Funding Exceptions

1. SCPa Works is aware that extenuating circumstances may require additional funding beyond the cap outlined in this policy and will consider exceptions based on employer input.
2. Written requests for policy exceptions should be submitted to SCPa Works via email communication from the employer, service provider leadership, or Registered Apprenticeship employer/sponsor to the SCPa Works Programs Department.

VIII. Summary of Changes: This policy is reviewed every 180 days by the SCPa Works Policy Department for necessary changes, edits, updates, and revisions.

Date of Change:	Changed by:	Summary of Change(s):	Effective Date

05/26/2022	Saranne Miller 	Increased maximum dollar amount to \$7500.00. Increased minimum wage to \$15.00 per hour. Increased maximum wage to \$18.00 per hour. Established program end wage at \$19.00 per hour. Removed irrelevant/outdated content.	08/04/2022
10/05/2022	Saranne Miller 	1. Sec. III: Removed employment duration exception and defined WIOA enrollment requirements. 2. Sec. VII: Defined local requirements, updated wage range to \$14.00-\$22.00, added veteran priority, add low-income priority, established protocol for employees who do not meet SCPa Works' eligibility requirements.	11/10/2022
10/14/2022	Saranne Miller 	1. Sec. IV(d): Added full-time employment requirement. 2. Sec. IV(e): Updated wage requirement 3. Sec. IV(C)(1)(g): Added/reiterated the requirement of proving existing employment	11/10/2022
10/26/2023	Saranne Miller 	1. Sec. I(C) – added RAP content 2. Sec. IV(A)(1)(c)(i) – added RAP exception 3. Sec. V(A) – added RAP content 4. Sec. VI(A)(1) – added RAP content 5. Sec. VII(C)(3)(d)(i) – added RAP content 6. Sec. VII(F)(1) – added RAP content	11/09/2023

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