

## **CASH TO PAY FOR THAT NEW EMPLOYEE!**

*This document compliments the Employer Based Training Guide*

**On the Job Training (OJT)** creates a job opportunity for Temporary Assistance participants by subsidizing an employer's training cost when they hire and train a Temporary Assistance (TA) recipient.

### **ELIGIBLE EMPLOYERS**

- Private sector businesses
- Non-profits organizations
- Non-government employers

The employer must have a Federal Employer Identification Number (FEIN) and a current Alaska business license. School districts, local governments and tribal government entities are not eligible to participate.

A Temporary Assistance participant employed in an OJT position is considered a regular employee. The working conditions, wages, and required federal and state benefits in OJT positions must be equal to those provided to a regular employee employed a similar length of time and doing the same type of work.

### **FEATURES**

- Employers specify screening criteria and choose who to interview and hire.
- Paperwork is short and simple: an application, an agreement and an invoice.
- The case manager and employer complete a contract prior to the work beginning.
- Contracts may be extended two times for a total of 1 year of training.
- Employers submit an invoice with pay stubs by the 10<sup>th</sup> of each month.
- The participant and employer will benefit from on-going collaboration with the case manager and assistance with supportive services the participant may need.

### **OJT REIMBURSES AN EMPLOYER FOR A PORTION OF THE COST OF TRAINING A TA CLIENT:**

- The reimbursement is not a set fee. It is based on 50% of the gross wage paid to the participant for the pay period.
- Employers are not reimbursed for all wages and other wage costs, such as payroll taxes or Workers' Compensation.
- Employers submit a copy of the participant's pay slip to document the gross wages paid to the participant.
- Employers are not reimbursed for overtime or holiday pay.

## **DURATION OF CONTRACTS AND HOURS OF EMPLOYMENT:**

- The duration of initial OJT contracts cannot be less than 12 weeks nor more than 26 weeks (six months or 1040 training hours). When appropriate, the contract can be requested to be extended to nine months and then to one year.
- Full-time employees must work a minimum of 35 hours per week, but not more than 40 hours per week.
- Part-time employees, if applicable, must work a minimum of 20 hours per week.

## **EMPLOYERS MUST MEET THE FOLLOWING TERMS AND CONDITIONS OF EMPLOYMENT FOR OJT CONTRACTS:**

- Provide the participant with training as described in the Worksite Agreement to the degree necessary for the participant to perform their duties. Endeavor to provide both job skills and positive workplace behavior.
- Agree to make a good faith effort to retain the participant at the end of the OJT contract.
- Pay employees a wage at least equal to the Alaska minimum wage (currently \$9.75).
- Do not displace current employees nor reduce their non-overtime hours by using an OJT position.
- Pay all participants the wage paid for similar jobs in the same labor market, with appropriate adjustments for experience and training.
- Provide all benefits to the OJT participants that are provided to other employees without regard to their OJT status.
- Consider the participants to be full-time employees of the employer who shall be entitled to the benefits required by state or federal law.
- Provide Worker's Compensation insurance that meets Alaska law for each participant.
- Withhold and pay, in accordance with state and federal law, all required deductions including federal income tax, social security tax and unemployment insurance tax, from the participants' wages.
- Maintain health, safety and working conditions at or above levels generally acceptable in the industry and at no less than comparable jobs of the employer.
- Maintain fiscal and other employer records pertinent to the On the Job Training agreement. The employer shall provide the Department access to all such records. All such records shall be retained and accessible for three years following final payments.