

DATE: July 17, 2015

TO: All WIOA Sub recipients

FROM: Marsha Wright, Workforce Bureau Chief, Workforce Development Division

SUBJECT: WIOA On-the-Job Training (OJT) Reimbursement Rates

Under WIOA, the maximum allowed reimbursement to employers for an OJT contract is 75%. WIOA OJT payments may be reimbursed up to 75% of the participant's training wage based on the following employer sizes:

- Employers with 50 or fewer employees, up to 75% cost reimbursement
- Employers with 51-250 employees, up to 65% cost reimbursement
- Employers with 251 employees or more, up to 50% cost reimbursement

OJT contracts in place from 2014 and paid at higher levels will continue to be paid at the former rates until contract completion. New contracts entered into after July 1, 2015 must use the new rates.

OJT training payments over 50% cost reimbursement may not last longer than three months. If an employer qualifies for training payment of more than 50%, but the OJT is expected to last longer than three months, the employer must be reimbursed on a monthly basis. The first three months would be reimbursed at the higher amount, and the remaining weeks/months would be reimbursed at no more than 50% of the employee's wages. We will continue to follow the \$5,000 limit for OJT contracts.

When matching participants and employers for OJT contracts, keep in mind the occupation of training and receipt of an industry-recognized credential after training. OJT's should provide participants in-demand skills with opportunities for career advancement and employers with a skilled workforce.

Also, remember the past history of the employer when working with new OJT contracts. Employers who did not comply with OJT requirements should not be awarded additional OJT contracts. Review the OJT TAG for additional information.

Questions may be directed to the WIOA/TAA Mailbox.