

## WIOA Desk Reference

### Incumbent Worker Training

#### About WIOA

The Workforce Innovation and Opportunity Act (WIOA) (Pub. L. 113-128) is a transformative law designed to strengthen our nation's public workforce system, helping Americans, particularly youth and those with barriers to employment, access the education, training, and support services they need to obtain and advance in quality jobs and careers, and to help businesses hire and retain the skilled workers they need to succeed in a global economy. WIOA ensures that the needs of businesses and workers drive workforce solutions and it increases and aligns coordination among key employment, education, and training programs.

#### What is Incumbent Worker Training?

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. It is a type of work-based training and upskilling designed to ensure that employees of a company can acquire the skills necessary to retain employment and advance within the company, or to acquire the skills necessary to avert a layoff. Incumbent worker training is responsive to the special requirements of an employer or a group of employers in partnership with other entities for the purposes of delivering training 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.

#### HOW CAN INCUMBENT WORKER TRAINING BE USED UNDER WIOA?

Local workforce development boards (WDBs) can use up to 20 percent of their adult and dislocated worker allocations to provide for the federal share of the cost of providing Incumbent Worker training (see WIOA section 134(d)(4)). Generally, the employer selects and procures the training provider, although LWDBs may help identify training providers, such as those on the Eligible Training Provider List (ETPL).

**Example:** A local area that receives \$1.5 million in Adult funds and \$1.0 million in Dislocated Worker funds may use up to \$500,000 (20% of the total -- \$300,000 Adult and \$200,000 Dislocated Worker) for IWT.

The portion of adult and dislocated worker funding for IWT can be used for IWT activities that are programmatic in nature. Related administrative activities are paid out of the Boards' administrative funds.

The Local WDBs 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 and/or employers:

- ◆ The characteristics of the individuals in the program (e.g. "individuals with barriers to employment"(WIOA section 3(24)));
- ◆ The relationship of the training to the competitiveness of the individual and employer;
- ◆ Other factors the state or local boards may determine appropriate which may include:
  - ◇ the number of employees participating in the training;
  - ◇ the employees' advancement opportunities along with wages and benefits (both pre- and post-training earnings);

#### Learn More About WIOA

**Information** and **guidance** for WIOA can be found at [doleta.gov/WIOA](http://doleta.gov/WIOA)

**ION**, the technical assistance initiative for WIOA, can be accessed by visiting

**WorkforceGPS:** [ion.workforcegps.org](http://ion.workforcegps.org)



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- ◇ the existence of other training and advancement opportunities provided by the employer;
- ◇ credentials and skills gained as a result of the training;
- ◇ layoffs averted as a result of the training;
- ◇ utilization as part of a larger sector and/or career pathway strategy; or
- ◇ employer size.

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).
- ◆ 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.

### EMPLOYER MATCHING REQUIREMENT

Local WDBs are required to establish policies regarding the non-federal share of the cost of IWT. Employers are required to pay for a significant cost of the training for those individuals in incumbent worker training. This can be done through both cash payments and fairly evaluated in-kind contributions. The wages paid to individuals while in training may be considered as a source of matching funds.

The Local WDB must consider the number of employees participating in the training, the wage and benefit levels of the employees (at the beginning and anticipated upon completion of the training), the relationship of the training to the competitiveness of the employer and employees, and the availability of other employer-provided training and advancement opportunities. The minimum amount of employer share in the Incumbent Worker Training depends on the size of the employer:

- ◆ At least 10 percent of the cost, for employers with 50 or fewer employees;
- ◆ At least 25 percent of the cost, for employers with 51 to 100 employees; and
- ◆ At least 50 percent of the cost, for employers with more than 100 employees.

### PERFORMANCE ACCOUNTABILITY: DOES IWT = PARTICIPATION?

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.

## WIOA Implementation Technical Assistance

**The Innovation and Opportunity Network (ION)** is a community of practitioners, program staff, partners, planners, industry leaders, and stakeholders that strive for system improvement, capacity building, and excellence in the public workforce system. ION is a national, regional, state, and local alliance that makes available the technical assistance, information sharing, and training needed to implement the vision of WIOA. Visit ION at: <https://ion.workforcegps.org>.

