

## South Central Iowa Local Workforce Development Board

### Incumbent Worker Training Policy

**Approved Date:** October 24, 2022

**Effective Date:** October 24, 2022

#### References

Workforce Innovation and Opportunity Act (WIOA) Final Rules Workforce Services Policy Chapter 8 WIOA Title 1B Programs

#### Purpose

This policy provides criteria to determine which workers, or groups of workers, are eligible for incumbent worker training services and the cost sharing required for incumbent worker training projects. ([WIOA Section 134\(d\)\(4\)](#)).

#### Background

Incumbent Worker training 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 the skills necessary to retain employment and conducted with a commitment by the employer to retain or avert the layoff of the incumbent worker. An ideal incumbent worker training would be one where a participant acquires new skills allowing him or her to move into a higher skilled and higher paid job within the company, thus allowing the company to hire a job seeker to backfill the incumbent worker's position. Incumbent Worker training must increase both a participant's and a company's competitiveness.

Under Section 134(d)(4) of WIOA, local boards can use up to 20 percent of their adult and dislocated worker funds to provide for the federal share of the cost of providing Incumbent Worker training.

#### Substance

##### Incumbent Worker Eligibility Criteria

An incumbent worker must be:

1. A U.S. citizen or otherwise legally entitled to work in the U.S.;
2. Age 18 or older;
3. Registered for the Selective Service (males who are 18 or older and born on or after January 1, 1960) unless an exception is justified;
4. Employed;
5. Meet the Fair Standards Act requirements for an employer-employee relationship <http://www.dol.gov/whd>; and
6. Have an established employment history with the employer for six (6) months or more.

Note: Per proposed 20 CFR 680.780, an incumbent worker does not necessarily have to meet the eligibility requirements for career and training services for adults and dislocated workers under this Act.

Note: WIA Title I participants who were enrolled in the WIA prior to July 1, 2015 must be transitioned into WIOA, even if the participant would not otherwise be eligible for WIOA. Additional reassessments are not required to be completed for participants already determined eligible and enrolled under WIA. Furthermore, these participants must be allowed to complete the WIA services specified in their individual employment plan, even if the services are no longer allowable under WIOA. (TEGL 30-14)

### **Employer Eligibility Criteria**

The following factors must be considered when determining the eligibility of employers to receive the WIOA share of funds to provide training to incumbent workers using either Adult and/or Dislocated Worker formula funds:

1. The characteristics of the incumbent workers to be trained and how they would benefit from retention or advancement. Consideration should be given to employers who propose to train individuals with barriers to employment as defined in WIOA Section 3(24).;
2. The quality of training. Whenever possible, the training should allow the participant to gain industry-recognized training experience and/or lead to industry-recognized credentials and/ or an increase in wages;
3. The number of participants the employer plans to train or retrain;
4. The wage and benefit levels of participants (before and after training);
5. The occupation(s) for which incumbent worker training is being provided must be in demand;
6. The employer is:
  - a. In an in-demand industry as determined by labor market information; or
  - b. In an in-balance industry as determined by labor market information; or
  - c. In a declining industry, but there are compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in incumbent worker training.
7. The employer must not have laid off workers within 120 days to relocate to Iowa from another state;
8. The employer is current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

Each of the above factors leading to the approval of an incumbent worker training project with an employer must be documented and placed in the contract file.

### **Employer Share of Training Costs:**

Employers participating in incumbent worker training are required to pay the non-WIOA (non-federal) share of the cost of providing training to their incumbent workers. (WIOA Sections 134(d)(4)(C) and 134(d)(4)(D) and proposed 20 CFR 680.820).

The employer share is based on the size of the workforce (wages paid to the participant while in training can be included as part of that share and the share can be provided as cash or in-kind that is fairly evaluated) as follows:

- 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
- At least 50 percent of the cost for employers with more than 100 employees

Employer cost share contributions must be tracked and documented in the contract file. In addition, the methodologies for determining the value of in-kind contributions must be documented in the contract file and conform to cost sharing requirements at 2 CFR 200.306.

**References**

WIOA Section 3(23)  
WIOA Section 134(d)(4)  
Proposed 20 CFR 680.780, 680.790 and 680.820  
2 CFR 200.306  
TEGL 19-16

**Action**

All staff will follow the policies outlined.

**Contact**

If there are any questions related to the information in this issuance, contact Krista Tedrow at [executivedirector@sciwalwdb.org](mailto:executivedirector@sciwalwdb.org)



Natalie McGee  
South Central Iowa LWDB Chair

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