

**THE MISSISSIPPI PARTNERSHIP
WORKFORCE DEVELOPMENT AREA**

WIOA INCUMBENT WORKER POLICY

Revision Date: May 20, 2021

**The MS Partnership Local Workforce Development Board
Workforce Innovation and Opportunity Act (WIOA)
Incumbent Worker Policy**

I. SCOPE AND PURPOSE

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. Work-based training and upskilling is 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 for the purposes of delivering training to:

1. Help avert potential layoffs of employees, or
2. Increase the skill levels of employees for promotional opportunities within the company and create backfill opportunities for other employees.

II. REQUIREMENTS

A. Incumbent Worker Definition

An "incumbent worker" is defined a worker who is:

- Employed,
- Meets the Fair Labor Standards Act (FSLA) requirements for an employer-employee relationship, **and**
- Has an established employment history with the employer for 6-months or more, with the following exception:

Exception: In the event that the incumbent worker training is being provided to a cohort of employees, not every employee in the cohort must have an established employment history for 6-months or more as long as a majority of those employees being trained do meet the employment requirement.

B. Participant Eligibility

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.

Incumbent worker training can also be used for underemployed workers – e.g., workers who would prefer full-time work but are working part-time. The use of this strategy may focus on increasing skills for underemployed frontline workers to advance workers to more skilled positions with the same employer or industry sector leading to an increase in earnings through more work hours or an increase in pay.

C. Employer Eligibility

The MS Partnership Local Workforce Development Board (LWDB) will 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 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);
 - 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.

D. Use of Training Funds

The MS Partnership (LWDB) can use up to 20 percent of its 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 will select and procure the training provider, however, the MS Partnership LWDB may help identify training providers, such as those on the Eligible Training Provider List (ETPL).

The MS Partnership LWDB may fund up to 90% of the cost of incumbent worker training which is considered the Federal share of the cost. Participating employers must pay the non-Federal share of the cost of providing training to their incumbent workers.

Participating employers must pay a percentage of the cost per the following guidelines:

- 10 percent of the cost of training for employers with 50 or less employees;
- 25 percent of the cost of training for employers with 51-100 employees; **or**
- 50 percent of the cost for employers with more than 100 employees.

The non-Federal share provided by an employer participating in the program may include the amount of the wages paid by the employer to a worker while the worker is attending an IWT program. The employer may provide its share in cash or in-kind.

Funds may be used to support training by a single employer or a group of employers. Employers must show a commitment to retain or avert the layoffs of the incumbent worker(s) trained. The following factors will be used when considering employer eligibility:

- 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 employee,
- and the availability of other employer-provided training and advancement opportunities.

IWT funds may also be used to provide supportive services respectively for those participants that are:

- Participating in programs with activities authorized in the paragraphs above; **and**
- Unable to obtain such supportive services through other programs providing such services.

E. Data Collection and Participant Tracking

Incumbent worker participants who only receive Incumbent Worker Training and are not co-enrolled will not be included in the WIOA performance accountability calculations but will be reported in the primary indicators of performance (employed second quarter after exit, employed fourth quarter after exit, median earnings, measurable skills gain, and credential attainment). The exit date for an incumbent worker will be the last date of training as indicated in the training contract.

III. EFFECTIVE DATE

This policy is effective May 20, 2021, and shall remain in effect until it is rescinded or modified.