

Policy Name: Incumbent Worker Training (IWT)
Policy Number: BGWIOA-N17-T12
Effective Date: March 14, 2017
Applies to: Adults, Dislocated Workers

1. **Purpose:** The purpose of Incumbent Worker Training in order to improve the business and economy of the Bluegrass Region.
2. **Background:** (*Replaces BGWIA-N08-T12*)

Both the Workforce Innovation and Opportunity Act and the Federal Regulations recognize the “incumbent worker” as distinct from dislocated workers and from employed workers earning below self-sufficiency as defined elsewhere in these policies.

“An incumbent worker does not have to meet the eligibility requirements for career and training services for adults and dislocated workers under WIOA, unless they also are enrolled as a participant in the WIOA adult or dislocated worker program.”

Employed individuals who do not meet WIOA adult or dislocated worker eligibility guidelines may be classified as incumbent workers and may receive WIOA funded training services.

Federal regulations also indicate that Incumbent Worker Training is specifically designed to be an employer service, and as such is inherently different from job seeker services:

“WIOA also explicitly allows for incumbent worker training at the local level. WIOA introduces incumbent worker training as an allowable type of training for a local area to provide. Incumbent worker training is designed to either assist workers in obtaining the skills necessary to retain employment or to avert layoffs and must increase both a participant’s and a company’s competitiveness. Local areas may use up to 20 percent of their local adult and dislocated worker funds for incumbent worker training. The Department seeks to ensure that incumbent worker training is targeted to improving the skills and competitiveness of the participant and increasing the competitiveness of the employer.”

(Federal Register Vol. 81, No. 161 Pg. 56149)

3. **Definitions:**
 - a. **EKOS:** Employee Kentucky Operating System.
 - b. **Incumbent workers:** Workers currently employed workers who have been determined by their employer to require training in order to help keep the company competitive, avert lay-offs, upgrade workers’ skills and/ or increase wages earned by employees.
4. **Policy:**
 - a. **Priority Sectors:** Employers within the Bluegrass areas targeted sectors will be given first consideration in regards to Incumbent Worker Training. Those sectors are:
 - Advanced Manufacturing
 - Construction
 - Healthcare
 - Information Technology
 - Transportation & Logistics
 - b. **Training Types:** Incumbent Worker Training may be designed in any number of ways, including, but not limited to:
 - On the Job Training
 - Customized Training

- Contracts with training providers to provide services
- c. **Employer Payment Requirement:** Employers are required to pay the non-Federal share of the cost of providing incumbent worker training. WIOA sec. 134(d)(4)(D) requires Local WDBs to establish policies regarding the non-federal share of the cost of IWT. Employers are required to pay a portion of the training for those individuals in incumbent worker training.

Under section 134(d)(4)(D) of WIOA, in establishing the employer share of the cost, 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 IWT depends on the size of the employer and may not be less than:

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

(USDOL Training and Employment Guidance Letter WIOA No. 19-16 Pg. 17-18)

- d. **Reimbursable Training Costs:** The following training costs are allowed and reimbursable if properly supported with the necessary documentation as requested by the WIOA Director and fiscal staff:
- Non company instructors / trainers' wages
 - Required Textbooks / manuals
 - Required materials / supplies
- e. **Non Reimbursable Training Costs:**
- Trainee Wages
- f. **Employee Eligibility:** Incumbent workers are currently employed workers who have been determined by their employer to require training in order to help keep the company competitive, avert lay-offs, upgrade workers' skills and/ or increase wages earned by employees.

Employees participating in Incumbent Worker Training must be employed full time with a company located in the Bluegrass Workforce Area and be identified by the employer to be in need of additional training or skill development.

- g. **Client Tracking:** Clients identified as incumbent workers will be enrolled into EKOS using information collected by WIOA staff from the employer. An Incumbent Worker Training Log will provide the necessary information to register and enroll the employee.

Again, clients identified as incumbent workers are not required to be determined eligible for WIOA services.

- h. **Funding Available:** As stated above, local areas may use up to 20% of their local adult and dislocated worker funds for incumbent worker training.

5. **Procedures:** Refer to Section 4. Policy for general adherence.