



## TITLE: Incumbent Worker Procedure # 5300P

---

**Type:** Program Procedure

**Date Established:** 09/08/2017

**Date Last Revised:** N/A

**Date Posted to Website:** 09/11/2017

**Status:** Final

**Supersedes:** N/A

---

### Procedures

---

Incumbent Worker Training (IWT) provides both workers and employers with the opportunity to build and maintain a quality workforce and is governed by sections 20 CFR 680.780 through .820 of the Final Rule. IWT is designed to meet the needs of an employer or group of employers to retain a skilled workforce or avert layoffs.

IWT can be used to either:

- Help avert potential layoffs of employees, or
- Obtain the skills necessary to retain employment, such as increasing the skill levels of employees so they can be promoted within the company and create backfill opportunities for less-skilled employees.

Incumbent Workers and Employers must meet eligibility criteria in order to receive training funds. These requirements must be documented and tracked.

#### **Incumbent Worker Eligibility Criteria:**

An incumbent worker must be:

1. Age 18 or older;
2. Employed;
3. Meet the Fair Standards Act requirements for an employer-employee relationship <http://www.dol.gov/whd>; and
4. Have an established employment history with the employer for six (6) months or more.

There is one exception to the six month requirement, which is that in the event that incumbent worker training is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more as long as a majority of those employees being trained meet the employment history requirement.

**The employer must attest to the eligibility of each worker in their contract and must provide evidence that the employee, or the majority of the employees, in training meets the 6 month employment history criteria.**

#### **Employer Eligibility Criteria:**

PacMtn 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 or both the employees and the employer:

1. The characteristics of the incumbent workers to be trained and how historically they represent individuals with barriers and how such individuals would benefit from retention or advancement. Consideration should be given to employers who propose to put forth extra effort to train individuals with barriers to employment as defined in WIOA Section 3(24). (See Attachment A);
2. Provide a quality of training which would, whenever possible, 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 ESD labor market information; or
  - b. In an in-balance industry as determined by ESD 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 Washington from another state;
8. The employer is current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

PacMtn will also evaluate the potential number of layoffs averted as a result of this training and utilization as part of a larger sector and career pathway strategy that aligns with our identified industry clusters in the region to prioritize training funds if needed. PacMtn may also prioritize employers based on their overall efforts to develop a more competitive workforce within the region. Additionally, employers that show continued opportunities for incumbent workers to advance and increase wages within their company may be prioritized.

**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.**

As part of an incumbent worker upskilling strategy, PacMtn will be working to develop an upskill/backfill strategy which will involve filling jobs vacated by workers who are moving into more advanced positions for the IWT employer, with other WIOA participants.

PacMtn may also develop contracts such that once incumbent workers advance with the employer; the employer then provides an opportunity for PacMtn to fill the then vacant position with a local WIOA participant.

**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.**

### **WIT System Data Entry Requirements** (*WorkSource Integrated Technology System*)

Please follow all current and future Workforce Integrated Technology (WIT), System guidance, training, instructional materials and direct departmental or program supervisor instruction and policies developed.

If applicant or participant information is already entered in the WIT System, staff must verify that the information is current and/or make updates. If required by program, print out the applicable or necessary document, obtain signatures and place in the hard copy file. Please note all system data updates or changes in case note.

To deliver Career or Training Services, the program staff person is required to enter participant and program specific data which will create an Individual Employment Plan/Service Plan.

All applicable and required WIOA and or Wagner-Peyser applicants or participants and the associated Career, Training or Follow-Up Service data entry requirements, are to include but not be limited to the following:

- Applicant or Participant Registrations,
- Program Enrollments,
- Eligibility Determinations (as detailed in policy #5000),
- IEPs,
- ITA's and Training Program Enrollments/Service Delivery,
- Training paid by others,
- Training/Program Completions
- Support Services,
- Exits,
- Follow-Up Services, and
- Case Note Entries

Staff must follow all data requirements as necessary per Policy 1020 - Data Integrity and Performance Reporting Requirements and Handbook, as applicable for entry within the WIT System

**Data Validation Note:**

For all DW qualifying and enrolled applicants, the date of dislocation entered must be documented in the file with:

Verification from employer

- Rapid Response list
- Notice of Layoff
- Public announcement with UI cross-match
- Self-attestation for transitioning military by the Army Career Alumni Program (ACAP)
- Self-certification from military applicant

Program Applicants who identify them self as a veteran must have a copy of their DD214 in their participant file. The dislocation date must have the month, day and year.

*Any discrepancies arising between PacMtn policy and or procedures with federal and state provisions due to current or future revisions will default to the current minimum federal and state regulations and guidance available. PacMtn policy and or procedures may set forth stricter requirements than provided by federal and state guidance, but in no case will PacMtn policy and or procedures not meet minimum federal and state policy.*

---

**References**

---

WIOA Section 3(23)

WIOA Section 134(d)(4)

2 CFR 200.306

20 CFR 680.780, 680.790, 680.800, 680.810, 680.820, 682.210(b), and 682.320(b)(4)

Training and Employment Guidance Letter (TEGL), 3-15

Training and Employment Guidance Letter (TEGL), 19-16

WorkSource System Policy 5607 Revision 3 – Employer Criteria and Cost Sharing for Training Provided to Incumbent Workers

Workforce Innovation and Opportunity Act of 2014

**DATE APPROVED: 9/8/2017**

---

**Direct Inquiries to:**  
**Pacific Mountain Workforce Development Council**  
**1570 Irving Street SW**  
**Tumwater, WA 98512**  
**Telephone: (360) 704-3568**  
**Email: [Info@pacmtn.org](mailto:Info@pacmtn.org)**

PacMtn is an equal opportunity employer/program.  
Auxiliary aids and services are available upon request to persons of disability. WA Relay Services 711