

**Policy: Incumbent Worker Training Policy**

**Program: WIOA**

**Effective Date: January 1, 2025**

**Approval: Central Iowa Workforce Development Board**

**Supersedes: N/A**

**Purpose**

The Central Iowa Workforce Development Board (CIWDB) establishes this local policy, guidance, and procedures for the Incumbent Worker Training (IWT) program under the Workforce Innovation and Opportunity Act (WIOA) as outlined in WIOA Section 134 et.al. [29 U.S.C. 3174] and [IWD E-Policy; Chapter 8, Section 1.4.7](https://epolicy.iwd.iowa.gov/Policy/Index?id=139&Version=1)

**Background**

The Incumbent Worker Training Program (IWT) is training provided by an employer to an existing employee or to a group of existing employees. Incumbent worker training under WIOA provides both workers and employers with the opportunity to build and maintain a quality workforce and increase both participants’ and companies’ competitiveness.

IWT Grants are designed to meet the special requirement of an employer 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. Grants provide both workers and employers with the opportunity to build and maintain a quality workforce.

The IWT Grant Program is a business-driven program designed to meet the needs of an employer or group of employers. There is an expectation that the employee will be promoted or retained by the company after they receive training. Ideally, this would also create additional back-fill opportunities for other workers.

The program is intended to offset a portion, via reimbursement, of the business’s cost to train and upgrade the skills of its employees. Eligible businesses must demonstrate that by receiving funding assistance through the program, their business will not only improve the skills of their workers but also improve their business processes and competitiveness and decrease the risk of permanent layoffs.

**Policy**

This policy outlines the guidelines to assist providers of WIOA Title I services in the planning and execution of an IWT training program. Agreements for IWT services must be in writing and must ensure that participants are provided with a structured training opportunity to gain the knowledge and competencies necessary to be successful in the occupation in which they receive training.

**Program Overview**

Incumbent Worker Training (IWT) is designed to ensure that employees of a company can gain the skills necessary to retain employment and advance within the company or to provide the skills necessary to avert a layoff. Such training must increase both a participant’s and a company’s competitiveness.

The IWT program provides flexibility regarding the type(s) of training and the training provider(s). Based on the needs of the company and its overall workforce development needs, the company chooses its training and training provider that provides employees with opportunities to acquire new or improved skills.

Training can include, but is not limited to, industry or employer-specific work skills, basic job skills, technical computer skills, new manufacturing technologies, equipment operation training, changes in production processes, and skills such as leadership, teamwork, communication, conflict resolution, and management skills if the employer can document the need and effect on employee production and/or retention with the company.

Incumbent worker training considerations:

* The local area may use up to 20 percent of their local adult and dislocated worker funds for incumbent worker training. However, the area is not under any obligation to do so.
* The training should, wherever possible, allow the participant to gain industry-recognized training experience. It ultimately should lead to an increase in wages.
* An incumbent worker is employed with the company when the incumbent worker training starts.
* Contract funds are paid to the employer for training provided to the incumbent worker either to avert a lay-off or otherwise retain employment.
* 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. In turn this would allow the company to hire a job seeker to backfill the incumbent worker’s position.
* The employer or group of employers must pay for a portion of the cost of providing the training to incumbent workers.

The cost sharing requirement for employers participating in incumbent worker training is to pay for the non-federal share of the cost of providing training to incumbent workers of the employers.

The non-federal share shall not be less than:

* 10 percent of the cost for employers with not more than 50 employees
* 25 percent of the cost for employers with more than 50 employees but not more than 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 incumbent worker training program. The employer share may be in cash or in kind.

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 are also enrolled as a participant in the WIOA Title I adult or dislocated worker program.

IWT can also be used for underemployed workers—e.g. workers who would prefer full-time work but are working part-time for economic reasons. While these workers are employed, they may have accepted reduced hours to gain or maintain employment or a previous dislocation has led them to accept reduced employment and often lower wages that may have a permanent effect on their careers.

Employer Eligibility

Employers applying for a Grant must meet the following criteria:

* Financially viable, private sector employers and certain nonprofit entities are eligible to receive IWT funds.
* The business or businesses must have been in operation for 12 months, not currently or recently experiencing bankruptcy, be current on all local, state, and federal tax obligations, and not appear on any federal suspensions or debarment lists.
* An eligible business must be located in Iowa and registered with the Iowa Secretary of State Office and have a physical location in the Central Iowa Local Workforce Area (CILWDA).
* Businesses are encouraged to provide training to a group of employees and not individual training.
* Businesses should also demonstrate a commitment to retain or avert the layoff of employees receiving training.

The employer must agree to provide performance records and keep accurate records of the project’s implementation process and certify that all information provided, to request reimbursements and report training activity, is accurate and true, including evidence that the business has paid the training expenses in accordance with the terms of the agreement prior to requesting reimbursement of allowable training costs.

Ineligible Businesses

* Central Iowa Local Workforce Area administrative entities and contracted service providers.
* Iowa*WORKS* Memorandum of Understanding partners.
* Labor unions.
* Federal, state, county, or city governmental entities

Employee Eligibility

Incumbent workers are currently employed workers whose employers have determined that the worker requires training to increase the competitiveness of the employee or the employer. The worker must have an established employment history with the employer for six (6) or more months and employed in a situation that meets the Fair Labor Standards Act requirements for an employer-employee relationship. Such training will upgrade workers' skills, increase wages earned by employees and/or keep workers skills competitive.

There is one exception to the six month requirement: 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.

Ineligible Employees

* Anyone who receives a 1099 Form: or
* Those who are placed through a temporary agency.

**Funding**

Grant funds are limited and therefore will be awarded through an application process. The maximum award per grant, per year, is $10,000 and the initial training agreement duration may not exceed 12 months. The availability of grants may be adjusted based on funding availability, each program year.

**ELIGIBILITY DETERMINATION**

Determinations of IWT applications, including approval and rejections, will be made by the CIWD Board through a formal vote. The Adult and Dislocated Worker Title I service provider will work collaboratively with the board to promote the program, collect and review the applications for completeness, and provide the board with the proper documentation to make a determination on each application.

The Planning and Operations Committee of the CIWD Board will also review applications and may make recommendations to the CIWD Board related to specific applications. The Planning and Operations Committee will not make the final determination of any application, this will be the responsibility of the full CIWD Board.

Applications received will be reviewed for a determination by the CIWD Board given compliance requirements with making agendas and meetings available to the public and ensuring that all necessary IWT application information has been received and reviewed according to outlined procedures in this policy.

**Considerations:**

Additional factors for determining priority for incumbent worker training will be established annually by the Local Workforce Board in alignment with the Local Plan, and outlined in the IWT application. They may include:

* The number of employees in training
* Wages and benefits (including post-training increases)
* The existence of other training 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

Companies wishing to participate in the IWT program will be required to complete an application and submit a formal proposal. The application and instructions for submitting the proposal can be found on the CIWDB website [www.ciwdb.org](http://www.ciwdb.org)

**ALLOWABLE USES OF FUNDS**

Funding may be utilized for the following:

* Employee skills, assessment, and testing
* Training development
* Classroom training
* Customized training consistent with WIOA regulations
* Instructor wages
* Training materials and supplies
* Fees required to complete training

When developing the training needs with an employer the Adult and Dislocated Worker service provider will ensure that the employer(s) demonstrate a commitment to retaining employees or otherwise provide a tangible benefit to employees that receive IWT. All IWT funds used must include a contract/written agreement.

All training activities provided as part of an incumbent worker program must be competitively procured by normal business methods and in accordance with federal, state, and local procurement policies.

**Disclaimer**

This policy is based on IWD and Central Iowa Workforce Development Board’s reading of the applicable statutes, regulations, rules, and guidance released by the U.S. Government and the State of Iowa. This policy is subject to change as revised or additional statutes, regulations, rules, and guidance are issued.

*Equal Opportunity Programs/Employer Auxiliary aids and services are available upon request for individuals with disabilities.*