



WORKFORCE DEVELOPMENT BOARD

CUMBERLAND · SALEM · CAPE MAY

BUSINESS INCENTIVE PROGRAMS

- ✓ **On the Job Training**
- ✓ **Incumbent Worker Training**
- ✓ **Tax Credits**
- ✓ **Federal Bonding Program**

These services are funded in part by the NJ Department of Labor with funds from the US Department of Labor through the Workforce Innovation and Opportunity Act.



BUSINESS INCENTIVE PROGRAMS

CUMBERLAND SALEM CAPE MAY COUNTY & NEW JERSEY DEPARTMENT OF LABOR (NJDOLE) – On the Job Training (OJT)

Employers who hire for full-time positions that pay \$15.49 per hour (COUNTY) \$16.50 per hour (STATE) or more are reimbursed 50% of the salary (capped at \$6000-COUNTY & \$10,000-STATE) for agreeing to provide training for a period of UP TO 26 weeks to an unemployed jobseeker or a public assistance recipient.

Why should you apply for this grant?

- The program is a cost-effective way to fill your positions with job-ready, prescreened candidates.
- Wage reimbursement helps with the expense of onboarding and training new employees to ensure that they meet business expectations.
- This program has no hourly wage caps. Unlike many employment assistance programs, you may hire someone in a higher salary range for more complex positions.

How to participate:

- Your new hires must be New Jersey residents who are unemployed or facing imminent layoffs from their current employer. They either must be currently receiving unemployment benefits OR must have exhausted their benefits within the past 52 weeks OR must meet the criteria to be regarded as a dislocated worker.
- Workers must be paid the current minimum wage or more.
- Positions must be for full-time (at least 32 hours per week) and long-term employment.
- Provide substantive on-the-job training at your location, on your equipment, under your guidelines. The length of training is determined by the participant's demonstrated skills gap and the job description.
- Submit trainee evaluations and payroll records for wage reimbursement, up to 50 percent.
- Depending on the complexity of skills to be learned and the qualifications of your new employee, the contract period will range from 4 to 26 weeks.

INCUMBENT WORKER TRAINING

Background: The Cumberland Salem Cape May Workforce Development Board defines Incumbent Worker Training (IWT) as training that is constructed for two (2) purposes:

- 1) Increase the competitiveness of the employee or employer,
- 2) Retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment or avert layoffs.

Sample criteria to determine eligibility of an employer to receive WIOA Incumbent Worker funds include:

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.
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 occupation(s) for which Incumbent Worker Training is being provided must be in demand;
5. The employer is:
 - a. In a high growth/high demand sector; or
 - b. If not in a high growth/high demand sector, there are compelling reasons (e.g. evidence of long-term viability of the employer) justifying investment in incumbent worker training.
6. The employer must not have laid off workers within the last 120 days to relocate from another state;
7. The employer is current in unemployment insurance and worker's compensation taxes, penalties, and/or related payment plan.

Generally, Incumbent Worker Training (IWT) should be provided to private sector employers; however, there may be instances where non-profits and local government entities may be the recipients of IWT funds.

Incumbent Worker Eligibility

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

Exception: When incumbent worker training is provided in a cohort, a majority, but not all, of the employees must have an employment history with the employer of six months or more (which may include time spent as a temporary or contract worker performing work of the employer receiving the IWT funds).

Eligible Costs – Include but are not limited to:

1. Tuition and fees
2. Training and Course costs
3. Instructor's wages
4. Course specific textbooks and manuals
5. Supplies and materials used during the training

Ineligible Costs- include, but are not limited to:

1. Trainees' wages and benefits during the training (may be used to satisfy the Employer Match)
2. Training Equipment
3. Capital Improvements
4. Any costs outside of the agreement

Incumbent Worker Training Contract

Employers interested in participating in this program must first complete the Incumbent Worker Training Contract, which includes employer identifying information and further demonstrate need and purpose for training, in addition to a proposed budget for training services (attachment A). This document must be completed and returned to the Cumberland Salem Cape May Workforce Development Board Director for review and consideration of approval. Employers will be notified of the agency's decision within five (5) business days.

TAX CREDITS

This Federal tax credit ranging from \$2,400 to up to \$9,600 is offered to employers who hire and retain veterans and individuals from other target groups with significant barriers to employment. The application process is simple, but paperwork must be submitted within 28 days of hire. Business Representatives are available to walk employers through the process. With the extension of the WOTC through 2025, establishing a WOTC process could provide significant savings to companies hiring eligible employees.

Tax credits for eligible employees

Target Group	Maximum Tax Credit
VETERANS	
NJ SNAP recipient	\$2,400
Disabled veteran hired within one year of release from active-duty date	\$4,800
Disabled veteran unemployed at least six months	\$9,600
Unemployed veteran at least four weeks in the one year prior to hire	\$2,400
Unemployed veteran at least six months in the one year prior to hire	\$5,600
OTHER TARGET GROUPS	
Short-term TANF recipient	\$2,400
Long-term TANF recipient	\$9,000 (two years)
Vocational Rehabilitation referral	\$2,400
Ex-felon	\$2,400
SSI recipient	\$2,400
Long-term unemployment (January 1, 2016)	\$2,400
NJ SNAP recipient	\$2,400
Empowerment Zone Residential Credit	\$2,400

FEDERAL BONDING PROGRAM

The Federal Bonding program gives you the security you need to hire that candidate with confidence. This unique job-placement tool provides employers with a no-cost, six-month, \$25,000, federal bond insuring employers against theft, forgery, larceny or embezzlement for hiring hard-to-place jobseekers such as individuals who have poor credit histories, recovering substance abusers, individuals on public assistance, and parolees.

What is a fidelity bond?

A fidelity bond is a business insurance policy that protects you in case of any loss of money or property due to employee dishonesty.

- ◆ The bond provides up to \$25,000 of coverage with no deductible.
- ◆ There is no cost to employer or employee.
- ◆ There is no required paperwork or special records to keep.
- ◆ A bond can be issued as soon as the date is set for the applicant to start work.

Who qualifies?

Anyone you consider a risk to hire, such as:

- people who have poor personal credit.
- people dishonorably discharged from the military.
- people lacking work history.
- ex-offenders.
- recovering substance abusers.

What does the bond cover?

The bond insures you against any loss due to theft, forgery, larceny, or embezzlement. It does not cover liability due to an employee's poor workmanship, job injuries, or work accidents. It is not a bail or court bond for legal systems.

For more information or to request a bond, contact:

James Rimalover- New Jersey State Bonding Coordinator
609-292-5763 ◆ FederalBonding@dol.nj.gov

For more information contact:

Cumberland Salem Cape May County Workforce Development Board
3322 College Drive, Vineland, NJ 08362
856-696-5660 ext. 3041
or email abarnes@ccoel.org

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