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LOWER SAVANNAH INSTRUCTION NUMBER: 15-006
DISTRIBUTION LIST: See below
ISSUANCE DATE: June 7, 2016
EFFECTIVE DATE: July 1, 2016
SUBJECT: **LOCAL INCUMBENT WORKER TRAINING (IWT)**

PURPOSE: To provide guidance and planning information on the allocation and use of Workforce Innovation and Opportunity Act (WIOA) funds used to support Incumbent Worker Training (IWT) throughout the Lower Savannah Workforce Investment Area.

REFERENCES:

- WIOA (Pub. L. 113 – 128);
- WIA (Pub. L. 105-220), Title I.

BACKGROUND: WIOA permits the use of allocated funds in the support and expansion of Incumbent Worker Training (IWT). The local board may reserve and use not more than 20 percent of the funds allocated to the local area involved under section 133(b) to pay for the Federal share of the cost of providing training through a training program for incumbent workers. The framework of IWT is designed to meet the special requirements of an employer (including a group of employers) 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. IWT is to be conducted with a commitment by the employer to retain or avert the layoffs of the incumbent worker(s) trained.

POLICY: The following policy and procedure shall be adhered to accordingly for all LSWIA Local IWT contracts. Effective July 1, 2016 Lower Savannah Council of Government Workforce Development Division will have the ability to issue Local Incumbent Worker Training contracts to employers located within the Lower Savannah Workforce Investment Area which encompasses Aiken, Allendale, Barnwell, Bamberg, Calhoun and Orangeburg Counties. Final approval of all contracts (including contract totals) will be the responsibility of the Lower Savannah Workforce Development Board or its designated committee. The local area may reserve up to 20 percent of their combined total of adult and dislocated worker allotments for incumbent worker training.

An Equal Opportunity Employer/Program. Auxiliary aids and services are available to individuals with disabilities upon request.

The Local Board must consider under WIOA sec. 134(d)(4)(A)(ii):

- **The characteristics of the employees**
- **The relationship of the training to the competitiveness of the employee and the employer; and**
- **Other factors the Local Board determines appropriate, including number of employees trained, wages and benefits including post training increases, and the existence of other training opportunities provided by the employer.**

Employers: Employers participating in the program carried out under this policy shall be required to pay for the non-Federal share of the cost of providing the training to incumbent workers of the employers. The non-Federal share (employer share of cost) shall be at a minimum —

- **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; and**
- **50 percent of the cost, for employers with more than 100 employees.**

The non-Federal share provided by an employer participating in an IWT training contract may include the amount of the wages paid by the employer to a worker while the worker is attending a training program under this policy.

Employees: To qualify as an employee (incumbent worker), the incumbent worker needs to be employed, meet the Fair Labor Standards Act requirements for an employer-employee relationship, and have an established employment history with the employer for 6 months or more. An incumbent worker does not necessarily have to meet the WIOA eligibility requirements for career and training services for adults and dislocated workers under this policy.

As the awarding of IWT contracts is a competitive process, contract priority will be given to those IWT agreements where the training results in an industry or nationally recognized credential.

Good Sense Tip: ***While Local Incumbent Worker Training is an expansion of Business Services within the Lower Savannah Workforce Investment Area, contracts will only be offered in those programs years where funding is available for the full and substantial support of all IWT agreements.***

ACTION: All applicable Lower Savannah Workforce Investment Area (LSWIA) Workforce Development staff, sub-recipients, contractors, service providers, one-stop workforce/career center operators, and other applicable organizational elements will implement and comply with these instructions, as well as any related instructions contained in applicable contractual agreements.

Please copy and distribute this information appropriately within your agency.

INQUIRIES: Direct all inquiries regarding this instruction to the Lower Savannah Council of Governments' Workforce Development Staff, Lower Savannah Council of Governments, Post Office Box 850, Aiken, South Carolina 29802-0850, telephone 803-649-7981, fax 803-649-2248, or e-mail abanderson@lscog.org.

André B. Anderson
Workforce Development Administrator

Distribution: LSWIA website page at www.lswia.org