



## Background

**On-the-Job Training (OJT)** is a hire-first program that reimburses a company for the cost of training a new employee. A customized training plan is put in place by the company which leads to employee retention in the job.

The program is offered by the Office of Workforce Opportunity through its contracted workforce provider, Southern New Hampshire Services, Inc. (SNHS), and can be combined with other training opportunities that encourage companies to hire unemployed New Hampshire residents, and to enhance the skills of both new and incumbent workers.

## OJT Program Overview

OJT helps place unemployed New Hampshire residents who are at least 18 years old into long-term permanent jobs. Trainees are hired into full-time employment and receive employer provided training. The trainee is a paid employee of a company.

The basic purpose of OJT is to allow an employer to hire an individual who would not otherwise qualify for the job and to teach the skills needed to perform at the entry level for the position. The activity is based upon a contract between the employer and SNHS, which provides the employer with a partial wage reimbursement for an agreed-upon training time period in exchange for the provision of training by the employer and a commitment to retain the individual when the training is successfully completed.

After a standardized OJT contract is signed, the trainee is hired as an employee of the company that has agreed to provide the training. OJT training payments to employers are deemed to be compensation to the employer for the extraordinary costs associated with training participants and the costs associated with the lower productivity of the participants during the training period. OJT provides reimbursement to employers to help compensate for the costs associated with skills upgrade training and loss of production for newly hired employees. OJT training can assist employers who are looking to expand their businesses and who need additional staff trained with specialized skills. OJT employers may receive anywhere from 50% to 90% of the wage rate of OJT trainees for up to six months to help defray personnel training costs.

The program is offered by the Department of Resources and Economic Development through Office of Workforce Opportunity through its contracted workforce provider, Southern New Hampshire Services, Inc. (SNHS), and can be combined with other training opportunities that encourage companies to hire unemployed New Hampshire residents, and to enhance the skills of both new and incumbent workers.

An OJT job placement specialist can also suggest ways to combine OJT with other programs such as Return to Work, a voluntary program to provide a structured, supervised training opportunity to unemployed NH residents while they continue to collect unemployment compensation, and the Job Training Fund, a 1:1 matching grant to cover training costs for new and incumbent workers.



## **Frequently Asked Questions about OJT**

There are many out-of-work people who can become great employees, and the OJT program can match employers with those prospective employees, with minimal paperwork and a maximum return for the participating company.

These FAQs address the questions most often asked by those looking into OJT.

### **What is On-the-Job Training (OJT)?**

OJT provides reimbursements to employers to help compensate for the costs associated with skills upgrade training and loss of production for newly hired employees. OJT training can assist employers who are looking to expand their businesses and who need additional staff trained with specialized skills.

### **What's in it for my company?**

The company is provided with eligible candidates for hiring and determines which of the candidates is best for the company.

The company receives wage reimbursement for the costs associated with training this new employee for the agreed-upon training period, calculated at 50%-90% based on company size.

The company receives prompt payments with a minimum of paperwork.

OJT staff assists the employer throughout the OJT program.

### **Are there restrictions to OJT?**

There are a few guidelines governing the OJT program. You cannot use OJT funded trainees to replace employees laid off within six months prior to the date of your application.

You must agree to hire any OJT trainees as regular, full-time employees, and to retrain them upon successful completion of the OJT.

The rate of pay and benefits must be commensurate with what you pay others doing similar work.

### **Who selects the OJT trainees?**

The employer determines the selection criteria they want for OJT trainees. Then, SNHS will identify those clients who meet the criteria and will refer those clients to the employer, who decides the final selection of OJT trainees.

### **Can companies rehire one of their previously released (laid off) employees?**

Yes, a business can re-hire a previous employee but it must be for a different position for which they would need training and the candidate must meet the eligibility guidelines.

### **What if an employer has already selected a candidate for OJT training?**

If an employer has already selected a candidate AND the candidate is approved as eligible, SNHS can work with the employer to design a training contract.



### **How long will the process take to get the OJT approved?**

Hiring an OJT trainee doesn't take long. As soon as a training plan and a contract has been agreed upon and completed, the trainee can begin working for the company.

### **What is WIA?**

The Workforce Investment Act of 1998 gives state and local officials new authority and flexibility for using federal job training aid to set up market- driven workforce investment systems in every community. This initiative can bring public systems providing services such as postsecondary technical training, employment, job search assistance, job training, retraining, adult literacy, and other lab...or market aid with closer links to the realities of changing job markets. The intent is to simplify programs under a single, comprehensive system compared to the current array of separate programs.

In New Hampshire, the Department of Resources and Economic Development through the Office of Workforce Opportunity oversees WIA services.

[www.doleta.gov/usworkforce/wia/act.cfm](http://www.doleta.gov/usworkforce/wia/act.cfm) See More

### **Which employees are eligible for OJT?**

Anyone in one of the following groups is eligible to be trained under an OJT Agreement:

- Unemployed or underemployed adults over the age of 18;
- Workers who have been laid off from another job and are unlikely to return to their previous industry or occupation; and
- Homemakers re-entering the workforce.

New employees/trainees must not:

- a) Already have the skills listed in the Training Outline to perform the job without the OJT;
- b) Already have been hired, offered employment or started employment with the employer before the OJT Agreement is signed (except for employed worker OJT, discussed below);
- c) Be a member of the employer's immediate family.

### **What is the source of OJT funds?**

The program is offered by the Department of Resources and Economic Development through Office of Workforce Opportunity through its contracted workforce provider, Southern New Hampshire Services, Inc. (SNHS), and can be combined with other training



opportunities that encourage companies to hire unemployed New Hampshire residents, and to enhance the skills of both new and incumbent workers.

The Workforce Investment Act is funded by federal tax dollars by the US Department of Labor. WIA reinvests your federal tax dollars to help upgrade the nation's workforce.

### **What rules apply to Employers who participate in OJT Agreements?**

Employers who sign OJT Agreements are required to provide wages, fringe benefits, and working conditions to approved trainees at the same level as similarly situated employees who have similar training, experience, and skills. [Note: pay rates must meet State and local minimum wage laws, and not be less than the highest minimum wage under the Fair Labor Standards Act of 1938, as amended]. Wages are paid through the employer's usual and customary pay procedures. For the purpose of the OJT Agreement, wages do not include tips or commissions. The employer agrees to be solely responsible for the trainee's payroll taxes and fringe benefits. Technical Assistance/Follow-up: NH Works staff will assist the employer and the WIA trainee during the OJT Agreement.

Prohibition of Discrimination: No individual shall be excluded from the benefits under this Agreement because of race, color, religion, sex (except as otherwise permitted under title IX of the Education Amendments of 1972), national origin, age, disability, or political affiliation or belief.

Health and Safety and Americans with Disabilities Act (ADA): The Employer agrees to provide a healthy and safe work environment and agrees to maintain the training site in full compliance with the ADA and OSHA Regulations.

### **What rules apply to employees who are trained under OJT Agreements?**

A person who is trained under an OJT Agreement must have their eligibility determined by a NH Works WIA employment counselor before beginning OJT. This requires a screening interview that includes meeting with a NH Works WIA employment counselor. The NH Works WIA employment counselor will determine if the person meets the criteria for one of the eligible groups mentioned above and assess the person's need for training and ability to complete training. Staff will complete the WIA registration process that includes developing an Individual Employment Plan (IEP) that may include identifying and arranging for support services (such as childcare, transportation or other services available through WIA).



### **What if the employee gets hurt on the job?**

All federal and state health and safety standards apply to working conditions of individuals trained under an OJT Agreement. Individuals trained under OJT are employees and are entitled to the same working conditions, benefits and rights as similarly employed workers.

### **Can I use my eligibility in a job interview?**

Absolutely! A good rule of thumb is to proceed with the interview, and then tell the employer at the end of the interview that you are eligible for on On-the-Job-Training program that reimburses employers 50% - 90% of wages. A participant letter is provided that can be left with prospective employers that details the OJT program including wage reimbursement for employers.

### **Who should I contact at NH Works about applying for OJT funding?**

Dave Laine, Senior Job Placement Specialist, 603-647-5480, DLaine@snhs.org

### **For more information about job training opportunities contact:**

**Michael Power, Community Workforce Development  
603-271-7275**

**[michael.power@dred.state.nh.us](mailto:michael.power@dred.state.nh.us)**

