



## GEORGIA MOUNTAINS WORKFORCE DEVELOPMENT FAQs for employers about the On-the-Job Training (OJT) Program

### 1. What is 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. OJT employers may receive reimbursement of up to 90% of the wage rate of OJT trainees to help defray personnel training costs. Reimbursement rate will depend on the size of the company and the federal waiver in place at the time of contract.

### 2. What's in it for my company?

- You get a pool of pre-screened applicants for your position—you decide who to hire.
- This is a great opportunity to bring on employees that are eager to learn new skills and upgrade your workforce.
- OJT staff to assist you through all phases of the OJT.
- Prompt payments with minimum paperwork.
- Reimbursement for the costs associated with training this new employee, which is usually calculated at up to half the pay rate for the agreed-upon training period, is now up to 90% thus increasing this benefit to you.

#### **OJT Reimbursement Rate Based on Employer Size**

- 50 or fewer employees: up to 90% reimbursement
- 51-250 employees: up to 75% reimbursement
- 251 or more employees: standard 50% reimbursement

### 3. How do I determine employer size?

The employer's reimbursement rate for OJT training expenses is based on the number of employees at the company's local operation where the OJT placements will be made. For example, if the OJT placement is at a hotel that employs thousands nationwide but only 40 at the OJT site, only those employees at the OJT site would be considered in determining the reimbursement rate.

To determine how many people are employed at any given work site, apply the following guidelines:

- Include all full-time, part-time, temporary and permanent workers, including all managers and front-line workers
- Include any individuals employed by a staffing agency who are subject to the day-to-day control of the host employer
- Do not use full-time equivalents. Every worker counts as "1"

Another consideration is whether the OJT Employee will be asked to travel and work at more than one of the company's sites. If so, the relevant employee count to determine reimbursement level would be the total number of employees at all of the locations to which the OJT Employee will be assigned.

If a small employer becomes a large employer in the midst of an OJT agreement, the reimbursement rate may remain at its original percentage until the OJT agreement is completed.

**4. Are there any restrictions?**

Yes, for example:

- You must be qualified as an OJT employer. The OJT Program Coordinator will help you determine your company's eligibility.
- You cannot use OJT funded trainees to replace employees laid off less than 6 months prior to the date of your application.
- You must agree to hire OJT trainees as regular, full-time employees on the first day of the OJT.
- The rate of pay and benefits must be commensurate with what you pay other employees doing similar work.
- All OJT candidates must be determined eligible for WIA participation and each trainee will be assigned a career advisor.

**5. 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 eligibility requirements.

**6. Who selects the OJT trainees?**

As the OJT employer, your company will determine the selection criteria for OJT trainees based on the job description, qualifications, and training plan. The OJT Program Coordinator will identify those participants who meet the criteria and will refer them to your company. Your company will decide the final selection of OJT trainees.

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

In the case where you want to specifically refer an OJT candidate, you will contact the OJT Program Coordinator who will help you direct this candidate to our office. Once they have completed the application process, your candidate's name and their paperwork will be expedited. If the candidate is approved by intake staff as eligible, the program coordinator can set up an OJT with the employer.

**8. Can an employee be paid via Tax Form 1099 and qualify for OJT training?**

The answer is "No". Employers who pay via the Tax Form 1099 enter into a contractual agreement with the contractor; therefore the relationship is not employer to employee. This would be considered self-employment and does not meet OJT employer relationship definition.

**9. How do we get the process started?**

Contact your OJT Program Coordinator. We will setup a time to meet with you and complete an employer information to determine eligibility. This will be followed by an Employer Agreement that will contain all of the terms for both Georgia Mountains Workforce Development and your company. With this agreement in place, we will start to identify and screen candidates for your company's position(s).

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

Our goal is that this process will not take much longer than hiring a non-OJT employee. However, it is important to note that the process of writing and negotiating the agreement and establishing a training plan for the individual could take up to a few weeks to ensure all employer needs are met.

**11. What is the maximum funding reimbursement per OJT participant?**

The Georgia Mountains Workforce Board (GMWB) has set the maximum funding reimbursement not to exceed \$8,500 per participant.

**12. What is the minimum funding reimbursement per OJT participant?**

The Georgia Mountains Workforce Board has set the minimum funding reimbursement for wages starting at **\$9.00 per hour.**

**13. What is the maximum number of OJT candidate placements per employer?**

The Georgia Mountains Workforce Board has set the maximum OJT participant limit as 12 OJT employees per employer unless otherwise agreed to by GMWB.

**14. What are the contract duration limits?**

The Georgia Mountains Workforce Board has set OJT contract limits at two year contract duration.

**15. What is the process for an employer to increase or decrease the OJT training plan dates after the OJT Participant Training Plan has been signed and executed?**

We understand that there will be occasions where an OJT employee exceeds training plan “skills to be learned” quicker than expected, the job responsibilities change or the new hire needs additional training in certain areas. We have procedures in place for the employer to submit an OJT Training Plan Modification in these instances. It is the employer’s responsibility to notify GMWD immediately of any plan changes and up to GMWD to approve all OJT Training Plan Modification forms submitted by employers before the end of the original training period.

**16. Who should I contact about applying for OJT funding?**

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