Higher Education Coordinating Commission Office of Workforce Investments Policy	
Subject: Incumbent Worker Training	
Focus: ☒ WIOA Title I ❒ National DWG ❒ State Grants ❒ Other:	
Publish Date: 04/23/2025	☒ New Policy ❑ Revised Policy

Overview

The Workforce Innovation and Opportunity Act (WIOA) allows the use of up to 20% of a local area's adult and dislocated worker formula funds for Incumbent Worker Training (IWT). This policy provides requirements for local areas to establish Incumbent Worker Training projects, and establishment of definitions related to those projects and use of funds.

Policy Statement

Incumbent Worker Training (IWT) must be designed and implemented to meet the special requirements of an employer or 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, and conducted with a commitment by the employer to retain or avert the layoff of the incumbent workers.

Local areas must establish an IWT policy which includes definitions to establish which workers, and which employers are eligible for IWT services, and include determinations of the non-federal share of the IWT costs to be borne by the employer. The policy must establish standards for documentation of employer eligibility and employer cost share contributions.

IWT policies must:

- Describe the characteristics of participants to be included in the project;
- Establish whether the training improves the labor market competitiveness of the employees or both the employees *and* the employer; and
- Establish procedures for employers will pay the required non-federal share of the cost of providing IWT.

For an employer to receive IWT funds, the individual(s) receiving the training must:

- Be currently employed;
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship; and
- Have an established employment history with the employer extending back at least six months.

There is an exception to the six-month requirement. If IWT is provided to a *cohort* of employees, not every individual employee in that grouping must have an established employment history with the employer of six months or more. As long as the *majority* of the employees in the IWT cohort meet the employment-history requirement, employees with shorter histories may be included.

An incumbent worker does *not* have to meet the eligibility requirements for career and training services for WIOA Title I, and individuals who receive only IWT are not included in performance accountability calculations. Individuals who receive only IWT are reportable individuals, and outcomes must be reported.

Employers are required to pay the non-federal share of the cost of providing incumbent working training. WIOA sec. 134(d)(4)(D) requires Local WDBs to establish policies regarding the non-federal share of the cost of IWT. Employers are required to pay a portion of the training for those individuals in IWT. This may be done through cash payments and/or fairly evaluated in-kind contributions, and must be documented appropriately.

Employer contributions may include the wages the employer pays to the incumbent worker trainee for the hours the worker is *actually receiving instruction* (That is, the duration of the training agreement is not used to determine in-kind wage contributions.).

The minimum amount of employer share in the IWT depends on the size of employer and may not be less than:

- 10 percent of the cost, for employers with 50 or fewer employees;
- 25 percent of the cost, for employers with between 51–100 employees; and
- 50 percent of the cost, for employers with more than 100 employees.

Employer share must be reported on the quarterly ETA-9130 financial report.

Effective Date

O4/22/2022

Required Action

Local area staff must develop an IWT policy to address these requirements.

Contact

Questions are to be referred to hecc.owi-workforce-policy@hecc.oregon.gov.

References

TEGL 10-16 Change 3
TEGL 19-16
WIOA Public Law 113-128, Section 134
WIOA Final Rule Part 680