



## County of Mercer Workforce Development Board

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# Mercer WDB Policy: Incumbent Worker Training Adopted: November 1, 2022

**Background:** A policy for the provision of Incumbent Worker Training is required by NJDOL. Section 134 (d) (4) of the Workforce Innovation and Opportunity Act (WIOA) of 2014 permits local areas, with WDB approval, to reserve and not use more than 20% of allocated Adult and Dislocated Worker funds to pay for the training costs of Incumbent Workers. [New Jersey Workforce Innovation Notice WD-PY21-4](#) issued by the New Jersey Department of Labor and Workforce Development on Dec. 16, 2021, offers guidance for local boards on Incumbent Working Training. It is appropriate for the Mercer WDB to adopt and implement this policy to support local businesses and job seekers.

**Policy:** The Mercer WDB recognizes the need to set aside funds for Incumbent Worker training and has established the policy allowing for use of a maximum of 20% of Adult and Dislocated worker funding in a given program year for training of Incumbent Workers – defined as paid, full-time employees of an employer applicant - as allowed by WIOA. The policy aims to assist local employers and employees in Mercer County by enhancing the skills of their current workforce while supporting and/or increasing employer competitiveness. Incumbent Worker Training offers advancement opportunities for individuals into new positions, thereby opening up positions that can be made available to existing WIOA program participants.

Priority will be given to private sector employers located in Mercer County and those whose workforce consists of primarily County residents. Incumbent Worker Training support for local government entities will not exceed 10% of the combined WIOA Adult & Dislocated Worker funds. The funds will only be utilized if a need and a training group are identified; they are subject to review and approval by the Director of the Mercer WDB in consultation with the Mercer County Office of Training & Employment Services (MCOTES).

Under this policy, the maximum per-employee amount of funding for training an individual Incumbent Worker is \$4,000.00. Employers who receive funds for incumbent worker training are required to contribute to the cost of providing such training. This contribution can include the wages paid by the employer to a worker while the worker is attending a training program. The employer may provide the share in cash or in-kind. The employer's total share of the cost of training is based on the size of the employer's workforce (using the employer's Federal Employer Identification Number) as follows:

- At least 10 percent of the total cost for employers with 50 or fewer employees
- At least 25 percent of the total cost for employers with 51 to 100 employees
- At least 50 percent of the total cost for employers with more than 100 employees.

**Procedures/Delivery:** The employer and participant eligibility requirements, funding levels, and program procedures are outlined below.

**Employer Considerations:**

- The characteristics of the individuals in the program and how they will benefit; this includes whether the individual being trained have barriers to employment;
- Whether the individual being trained is underemployed, e.g. workers who prefer full-time work but are working part-time for economic reasons.
- The quality of the training and link to competitiveness of the individual and employer, including the following:
  - Must be a demand occupation in the local area based upon local data
  - Industry-recognized credential and skills gained from training (enables portability)
  - Wage increase & employees advancement opportunities
- The employer is in a high growth/high-demand sector. If not, there are compelling reasons, e.g., evidence of long-term viability within industry, justifying the investment in the requested training, etc.
- The employer must not have laid off any workers/employees within 120 days including layoffs from another state and relocated to New Jersey;
- The employer must be current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan;
- The pre- and post-training wage and benefits levels of the employee, and the existence of other training and advancement opportunities by the employer.
- The number of employees participating in the training;
- Employer size, employer's industry and their market position;
- Layoffs that were avoided as a result of the training;
- The existence of additional opportunities provided by the employer.

**Employee Considerations:**

The Incumbent Worker Training is for workers with an established work history with his/her current employer. This training is for workers or employees who need additional training in order to remain in their position, to advance in their workplace or company, or to avoid being laid off. To qualify as an Incumbent Worker in need of the Incumbent Worker Training, the employee must satisfy all of the following factors:

- US Citizen or Resident, or otherwise authorized to work in the United States of America;
- Age 18 or older;
- Registered with Selective Service, unless failure to register is determined unknown
- Employed by a private entity;
- Employed in accordance with the Fair Labor Standards Act requirements of an employer-employee relationship;
- Have an established employment history with the employer for a minimum of six months. Exception: If the Incumbent Worker Training is being provided to a group of employees, a majority and not all employees, in the group must have an established employment history with the employer for a minimum of six months.