



Missouri Division of Workforce Development
DWD Issuance 25-2015

Issued: June 15, 2016
Effective: June 15, 2016

Subject: Incumbent Worker Training Policy

1. Purpose: This Issuance describes allowable funding expenditures for work-based training and establishes requirements to prevent duplication of training funds.

2. Background: Work-based training is an effective training strategy because it is employer-driven. It provides additional opportunities for participants to find high-quality work and for employers to develop a high-quality workforce. *Incumbent Worker Training* is one of these work-based training strategies. It is a way to ensure that employees of a company are able to gain the skills necessary to retain employment.

3. Substance: Local Workforce Development Boards (Boards) may reserve up to 20 percent of their combined total of adult/dislocated worker allotments for incumbent worker training. Any Board planning to implement Incumbent Worker Training shall indicate this in its respective Local Plan. The Board must establish policies and definitions to determine which workers, or groups of workers, and which employers are eligible for incumbent-worker services. Policies should include:

- Characteristics of the participants in the program;
- The relationship of the training to the competitiveness of a participant;
- The relationship of the training to the competitiveness of an employer;
- The number of employees trained; and
- Wages and benefits.

Missouri offers a state-funded Incumbent Worker Training Program, and State law requires the Department of Economic Development to ensure no duplication of training funds (RSMo 620.809.4). To maximize resources and results, Boards should prioritize working with those employers that are not eligible for, or participating in, the State's program. This will target a broader range of employers and workers. The Division of Workforce Development (DWD) will provide Boards copies of Missouri Works Training approval notifications.

Prior to entering into any agreement, Boards are required to notify DWD should they desire to implement an incumbent worker training project with a company that is participating in Missouri Works Training. In these cases, training should be used only to supplement limited resources. Respective areas of training investments must be identified so that there is no duplication.

Incumbent Worker Training must assist workers in obtaining skills necessary either to retain employment or to avert layoffs. It must also increase the competitiveness of both the participant and the employer. Allowable training activities are listed in the WIOA Section 134 et al. [29 U.S.C. 3174]. An incumbent worker must have an employer-employee relationship and an established employment history. An eligible incumbent worker is an employee working a minimum of an average of 32 hours per week employed at the respective employer for more than six consecutive months.

An incumbent worker does *not* have to meet the eligibility requirements for career and training services for Adults and Dislocated Workers. The following is required for eligible incumbent worker training services:

- A wage increase or access to company-provided benefits including healthcare for the participant within 60 days of the successful completion of training; **and**
- In-kind matching resources by the employer, such as trainee wages or leasing costs for classroom space; **and**
- Documentation
 - Of increased skills obtained by the participant, such as an industry-recognized certificate or credential, or a promotion, that correlates to the competitiveness of the job and the employer; **or**
 - Of averting the need to lay off employees through assisting workers to obtain the skills necessary to retain employment. This must increase both a participant's and a company's competitiveness.

If a collective bargaining agreement covers the employer, then union concurrence with the training services is required. An incumbent worker project may employ any training allowable under WIOA¹ and must comply with general WIOA requirements and restrictions.² Reporting on participant and employer performance outcomes is also required.

4. Action: This policy is effective immediately. Board Directors should inform Boards and appropriate staff members charged with the approval of training services and the tracking of expenditures of the content of this Issuance.
5. Contact: Direct questions or comments regarding this Issuance to Anita Dixson, Work-Based Learning Coordinator, at (573) 751-3346 or email anita.dixson@ded.mo.gov.
6. Reference: [RSMo 620.809.4](#)
Workforce Innovation and Opportunity Act (Public Law 113-128), Sections 134 [29 U.S.C. 3174] and 181 [29 U.S.C. 3241].
7. Rescissions: None.
8. Attachments: None.

The Missouri Division of Workforce Development is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.
Missouri TTY Users can call (800) 735-2966 or dial 7-1-1.



Amy Sublett
Director
Missouri Division of Workforce Development

¹ Workforce Innovation and Opportunity Act (WIOA), Pub. Law 113-128, sec. 134(d)(4).

² WIOA sec. 181 [29 U.S.C. 3241].