
NORTH CENTRAL
COUNTIES CONSORTIUM

**INCUMBENT WORKER TRAINING
MANUAL**

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TABLE OF CONTENTS

I. Statement of Purpose.....	Page 1
II. Background	Page 1
III. References.....	Page 1
IV. Definitions	Page 1
V. Eligibility Requirements.....	Page 2
VI. Employer Share	Page 3
VII. Incumbent Worker Training	Page 3
VIII. Collection of Training Documentation.....	Page 4
IX. Cal Jobs Reporting/Data Reporting	Page 4

I. STATEMENT OF PURPOSE

To establish basic guidelines used by service providers in the provision of Workforce Innovation and Opportunity Act (WIOA) funded Incumbent Worker Training (IWT) to eligible employers.

II. BACKGROUND

Under WIOA, IWT provides both workers and employers with the opportunity to build and maintain a quality workforce, and increase both participants' and employers' competitiveness. IWT is a type of work-based training and upskilling designed to ensure California workers can acquire and develop the skills necessary to avert layoff or increase the skill levels of employees so they can be promoted within the company and create backfill opportunities for employers.

To implement this strategy North Central Counties Consortium's (NCCC) America's Job Centers of California (AJCC's) may use up to 20 percent of its total Adult & Dislocated Worker formula allocations to provide IWT (WIOA Section 134[d][4]). Additionally, Rapid Response funds can be leveraged by including IWT as part of a robust layoff aversion strategy. (20 CFR Section 682.330)

III. REFERENCES

WIOA (Public Law 113-128) Sections 122(h)&(i), 134(d)(4), 134(G)(ii), 134(c)(3)(H), and 194(4)
TEGL No. 19-16
Title 20 Code of Federal Regulations (CFR) Section 680.780-680.820
EDD Directive WSD19-01

IV. DEFINITIONS

For the purposes of this procedure, the following definitions apply:

- Incumbent Worker Training (IWT) – Designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce, avert the need to lay-off employees by assisting the workers in obtaining the skills necessary to retain employment, and/or provide training that will result in progression on a career pathway and income eligibility.
- Employer Share – The contributions paid by the employer on behalf of an employee while attending a training program.
- Business and Employer – A private sector, local government, for profit or not-for profit place of business. Business and Employer are used interchangeably in this procedure.
- IWT Allowable Costs – The Local Boards' share of the cost of training (teacher, books, materials) for the delivery of IWT. This amount excludes the cost of

individual wages paid by the employer while the employee is attending/participating in the training.

V. ELIGIBILITY REQUIREMENTS

All Incumbent Worker Training must be approved by the NCCC Executive Director.

Eligibility for participation in Incumbent Worker Training (IWT) is based on the following factors:

A. Eligible Employer – For an employer to be eligible, NCCC & it's subrecipients must consider the following:

1. The characteristics of the individuals in the program
2. The relationship of the training to the competitiveness of an individual and the employer
3. Other factors such as the number of employees trained, employer size, the wages and benefits, including post training increases, and advancement opportunities
4. Credentials and skills gained as a result of the training
5. Layoffs averted as a result of the training
6. The existence of other training opportunities provided by the employer
7. Utilization as part of a larger sector and/or career pathway strategy
8. **Additionally, the employer must provide a valid California Employer Account Number** (*An eight-digit payroll tax number issued to a registered employer by the Employment Development Department, also known as the Employer Payroll Tax Account Number, State Employer Identification Number, or state ID.*)

IWT should be provided to private sector employers, but there may be instances where non-profit and local government entities may receive IWT funds. For example, IWT funds may be used in the health care industry where nursing upskilling opportunities are available in a hospital operated by a non-profit organization.

B. Incumbent Worker – To qualify as an Incumbent Worker:

1. The employee needs to be employed in a situation that meets the Fair Labor Standards Act Requirements for an employer/employee relationship
2. Have an established employment history with the employer for six months or more
 - With the following exception: in the event that the IWT is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six month or more as long as the majority of the employees being trained do meet the employment history requirement.

3. An incumbent worker does not have to meet the eligibility requirements for career and training services for Adults and Dislocated Workers under WIOA, unless they are also enrolled as a participant in the WIOA Adult or Dislocated Workers Program and will receive WIOA funded services in addition to the IWT (TEGL 10-16).
4. **Additionally, Incumbent Worker employees must meet the Selective Service requirements.** (Title 20 CFR Section 680.780)

VI. EMPLOYER SHARE

To Participate in the IWT, employers are required to pay for a significant cost of the training for those individuals in IWT. The minimum amount of employer share in IWT depends on the size of the employer below:

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

The employer's proportionate share for the cost of the training may include the employee's hourly wages while attending the training program as well as the cost of the training program (teacher, books and materials, etc.).

The business size is to be based on the total number of employees at all locations operated by the employer in California.

VII. INCUMBENT WORKER TRAINING

- A. IWT is conducted with a commitment by the employer to retain employees, avert the layoff(s) of the incumbent worker(s) trained for a period of six months following completion of the training, or promote incumbent workers to higher paying positions. It increases the competitiveness of the employer or employee and/or gives employees the opportunity to progress on their career pathway by providing opportunities to obtain certificates or credentials based on the employers need. (20 CFR 680.790)
- B. WIOA defines IWT as a business service, therefore, the delivery of IWT does not require the use of an Individual Training Account or that the training program be listed on the Eligible Training Provider List.
- C. IWT must be completed by a qualified trainer. Qualified training can be provided in-house, by a training agency, or by a third party. Training providers should be California-based, unless the training is so unique that a training provider cannot be found in California. The choice and method of training are determined by the employer, but can be completed through the following training methods:

1. Classroom Training – Instruction in a classroom setting that is provided to a group of trainees and conducted by a qualified instructor.
2. Laboratory Training – Hands-on instruction or skill acquisition under the constant and direct guidance of a qualified trainer. Laboratory training may require the use of specialized equipment or facilities. Laboratory training may be conducted in a simulated work setting, or at a productive work setting.
3. Electronic Delivery Training – Training delivered through a computer/electronic delivery program. Training can be done through options including; computer-based training set at a pace set by the trainee where there is no requirement for delivery by a live trainer and training does not have to be interactive, video conference training where instruction is live and interactive and provided by a trainer through a video communications session, and E-Learning instruction delivered through a web-based system, conducted in a virtual environment utilizing a web meeting/webinar.

VIII. COLLECTION OF TRAINING DOCUMENTATION

- A. A copy of the signed Incumbent Worker Training Contract is required to be maintained in the participant's file along with a copy of the procurement of training documentation.
- B. In partnership with the employer, it is required to collect and track all progress of the training such as attendance, training hours, and progress reports from the training provider on each participant and to obtain a copy of each participant's certificate of completion, and license/credential. The collection of these documents is to assure that training is being provided and that participants are benefiting from the training. Copies of these documents must be maintained in the participant's file. This documentation will be subject to monitoring.

IX. CALOBS REPORTING/DATA REPORTING

- A. All recipients of IWT must be reported to DOL, regardless of whether they become a participant in one of the other WIOA programs. Individuals who participate in IWT must be registered in Cal Jobs.
- B. Demographic information, copies of proper right to work authorization, and EO is the Law forms must be maintained in the file
- C. When creating the WIOA application and an Incumbent Worker eligibility date is entered, the application and eligibility requirements for the IWT eligibility will be condensed and require minimal information. To complete the remainder of the application, please follow the below process:

1. On the Eligibility Summary tab of the WIOA application: Set “Incumbent Worker Eligibility” to yes. Add the appropriate IWT grant code, then select [Finish] to save the application.
2. Cal Jobs Activity Code 308 – IWT should be added to the application and associated to the appropriate funding stream for the duration of the IWT. If utilizing WIOA formula funds, staff must associate grant code 2284 – Incumbent Worker Training Formula to the 308 – IWT activity code.
3. The required information for these individuals is limited to demographic information, and information necessary to calculate employment in the 2nd and 4th quarters after exit, median earnings in the 2nd quarter after exit, measurable skill gains, and credential attainment. For the purpose of calculating these metrics for IWT-only individuals, the exit date is the last date of training, as indicated in the training contract.
4. It is recommended to collect Social Security Numbers (SSNs) as part of the training contract with the employer. For all individuals where an SSN is collected, the EDD will conduct a base wage match to obtain their employment and earnings. For those individuals that have a pseudo SSN, it is the AJCC’s responsibility to provide supplemental data.
5. Follow up shall be performed for at least six months after reported completion of IWT to determine outcomes (i.e., retained employment, advancement, increased wages, credential attainment, median earnings, etc.).

D. Required Employer Activity -

Local Area staff must ensure that the employer participating in IWT is registered as a preferred employer (recruiting employer) in Cal Jobs, and the Cal Jobs Activity Code E68 – IWT is added to the employer’s account.

INCUMBENT WORKER TRAINING CONTRACT

This contract is between the _____

This contract is to provide training for individuals in North Central Counties Consortium's Incumbent Worker Training (IWT) Program. The focus of the IWT program is to provide funding to help cover some of the cost of training needed as a layoff aversion strategy.

TRAINING PROVIDER INFORMATION	
Business Name:	
Authorized Business Representative:	
Phone #:	Email:
Mailing Address:	
Physical Address:	
Legal Structure (private, local government, Joint Powers Agency, Special District or non- profit): Private	
California Tax ID Number:	
Federal Tax ID Number:	
EMPLOYER/EMPLOYEE/TRAINEE INFORMATION	
Employer Name:	
Number of Incumbent Workers to be Trained:	
Names of Trainee(s):	Trainees Job Title
	Charge Capture Associate
TYPE OF TRAINING	
Will the training be conducted by a 3 rd party? ☐ Yes ☐ No	
Name of Training:	
Training Method: (classroom, hands on):	
Projected Outcome:	
Start Date:	Estimated End Date:
JUSTIFICATION FOR TRAINING	

- ☐ Enhance the skills of employee(s) to allow retention of employment particularly during a period(s) of significant technological, economic or procedural change within the company
- ☐ Upgrade the skills of employee(s) to assist them in qualifying for promotional opportunities and create backfill opportunities for the company
- ☐ Allow the company to avert potential layoffs by improving the skills of the current workforce

TRAINING COSTS

	AJCC COST	BUSINESS COST	Business In-Kind Contribution
Tuition/Fee	\$	\$0	
Materials/supplies/textbooks			\$
Wages paid while attending training*			
Test/Application Fees			
Other employer costs (space)			\$
Other costs			
Totals	\$	0	\$

*Wages paid to employer's may be used as business contribution

REQUIRED SIGNATURES

Business Authorized Signature

AJCC Authorized Signature

Name:

Title:

INCUMBENT WORKER TRAINING EMPLOYER APPLICATION

The Incumbent Worker Training (IWT) program provides funding to help cover some of the cost of training that is needed as a layoff aversion strategy, retain employees. Such trainings are meant to assist with expansion, new technology, retooling, introduce new services and products or new organizational structuring.

BUSINESS INFORMATION		
Business Name: _____		
Authorized Business Representative: _____ Title: _____		
Title: _____		
Phone #:	Fax#:	Email:
Mailing Address:		Physical Address of Training Site:
Legal Structure (private, local government, for or not for profit)		
California Tax ID Number:		
Any Layoffs in last 12 months yes or no? If yes, please explain the circumstances and number of lay-offs:		
EMPLOYEE INFORMATION		
Number of Employees your business has (full time):		
JUSTIFICATION		
Which option below best describes the reason training is requested:		
☐ Enhance the skills of employee(s) to allow retention of employment particularly during a period(s) of significant technological, economic or procedural change within the company	☐ Upgrade the skills of employee(s) to assist them in qualifying for promotional opportunities and create backfill opportunities for the company	☐ Allow the company to avert potential layoffs by improving the skills of the current workforce
DESCRIPTION OF PROPOSED TRAINING AND OUTCOMES		
Number of Employees to be trained:	Complete the attached employee information sheet with information on all to be trained. The information is needed to track the project.	
Please provide a detailed description of the training. Describe the Training Method (classroom, hands-on, computer based, video conference training, web-based, webinar If additional space is needed, please attach to the request form.		
EMPLOYER SHARE OF COST FOR TRAINING		

Employers are required to pay for a significant cost of the training for those participants in incumbent worker training; this can be done through both cash and/or in kind payments. The wages paid to participants, while in training, may be considered as a source of matching funds. The minimum amount of the employer share in the incumbent worker training depends on the size of the employer: • At least 10 percent of the cost for employers with 50 or fewer employees • At least 25 percent of the cost for employers with 51 to 100 employees • At least 50 percent of the cost for employers with more than 100 employees
Please indicate below the employer share:
EMPLOYER REPORTING REQUIREMENTS
Employers must submit a report no later than 30 days following the completion of the training program that outlines the results of the training, including at minimum: • Number of individuals successfully trained • Number of lay-offs averted • Number of trained employees retained in employment • Percentage of wage increases for trained individuals • Anticipated promotional opportunities for trained individuals
EMPLOYER SIGNATURE
TYPE/PRINT NAME & TITLE

FOR OFFICE USE ONLY		
☐ Approved	☐ Denied	
Comments		
Signature	Title	Date