

Umpqua Training & Employment On-the-Job-Training Contract Agreement Summary

What are the conditions for On-the-Job Training (OJT)?

- 1) Trainee cannot have been employed in the past doing the same or a similar job.
- 2) Trainee cannot be currently/previously employed by the employer who will be reimbursed by UT&E for this OJT.
- 3) Employer cannot have a track record of failing to provide trainees with continued long-term employment.
- 4) Employer and a UT&E representative will determine which trainee skill gaps will be addressed during the OJT period. (Skill gaps will be determined by assessment information, SVP/OLMIS information, prior work history, and trainee interview.)
- 5) The same financial and compensation treatment must be given to the trainee that would be given to a regular employee.
- 6) Maintenance of Effort: an OJT trainee cannot replace other employees through layoff, firing, or hours cut on filled positions.

Who from the employer signs the contract?

The person representing the employer must have the legal authority to enter into this contract.

Can changes with the contract occur midway through the training?

Yes, changes may be made in length of contract, pay, hours, job duties, etc., if agreed upon by the employer and UT&E prior to those changes, and once all parties have signed the written amendments.

All of our employees are hired by a staffing service; can an OJT still be arranged?

There is a possibility that special arrangements may be made, but in all other circumstances UT&E deals directly with the employer, so no intermediary such as an employment agency is involved.

Under what conditions can the contract terminate?

The contract automatically terminates if:

- 1) Trainee fails to meet employer requirements (as long as UT&E is informed early on and counseling has been provided, unless substance abuse or illegal actions occurred on the job).
- 2) Trainee quits.
- 3) Employer fails to comply with the terms of the contract.
- 4) Trainee does not work the hours agreed upon in the contract.
- 5) Contract funding ends.
- 6) Employer fails to comply with federal and state laws.

The contract automatically terminates on the last day of the contract period.

How long can the OJT period last?

Usually the maximum length for an OJT is 12 weeks, unless duties are so complex that this will not be sufficient time for the trainee to become proficient. We also consider the needs of the person being trained, their skill level, and funding availability. The Dictionary of Occupational Titles is the reference we use to determine the length of the training.

Can the federal government be held responsible?

The federal government is not part of this contract and cannot be held responsible. In addition, the employer agrees to hold harmless the Governor and State of Oregon, the Economic Development Department, and UT&E and its employees.

What if the trainee has an on-the-job accident?

The trainee is subject to the same conditions as any other employee under Oregon Workers' Compensation Law. UT&E is to be notified of any accidents.

What is the employer responsible for?

The employer is responsible for training consistent with job duties as follows:

- 1) orientation
- 2) supervision
- 3) advancement potential
- 4) assigning related tasks
- 5) counseling
- 6) providing necessary tools & equipment

What wage must the employer pay the OJT trainee?

The trainee will start with at least minimum wage or, if higher, the prevailing rate of pay for employees in similar situations within the company, including raises. The minimum wage requirement for an OJT trainee is \$8.40 to \$10.00 an hour, depending on the trainee's eligibility status with UT&E.

What happens if the trainee has to be laid off?

The employer is not required to reimburse UT&E for back wages if there is a layoff; however, further reimbursements will not be made to the employer from the start date of a layoff or strike.

How will the employer be reimbursed?

The employer will bill UT&E monthly for training cost reimbursement, utilizing the provided vouchers with attached, signed time cards that must be received by the 10th of the following month. No reimbursement is made 50 days after the ending date of the contract. The employer is required to report the trainee's attendance and progress.

The employer agrees to comply with provisions of the Workforce Investment Act and subsequent regulations. In accordance with federal legislation, the employer must repay UT&E any monies not spent.

Will UT&E reimburse the employer for a holiday when no-one works but everyone is paid?

No, UT&E will only reimburse for straight-time wages for hours actually worked.

What happens if the trainee works fewer hours than the contracted amount?

Reimbursement may be withheld for any workweek with fewer than the contracted hours of work. UT&E must be notified within 5 days if the trainee does not work scheduled hours. Sick time hours will not be reimbursed.

What if the employer spends money on training after the contract has ended?

The employer will not be reimbursed for monies spent after the contract has expired, unless an amendment has been made.

What kinds of benefits must the employer provide?

The employer is required to provide the OJT trainee with benefits such as:

- 1) Workers' Compensation Insurance
- 2) State Unemployment Insurance
- 3) FICA (SS)
- 4) Any other fringe benefits required by law.
- 5) Any other fringe benefits provided to other employees working in a similar position, with similar seniority.

Does UT&E reimburse for overtime?

UT&E does not reimburse employers for any overtime paid to the trainee.

What if the employer is not happy with the trainee?

The employer is required to inform the trainee and UT&E of unsatisfactory performance. We recommend two written warnings stating the problem prior to termination, and allowing time to make the correction. UT&E staff members are available to help settle difficulties or work out problems and provide counseling to the trainee.

If the employer has reduced everyone's hours, can there still be a new OJT contract?

UT&E trainees cannot replace an existing employee or bring about a cut in their hours or wages. We will not subsidize a new position if there is a hiring freeze or a layoff that is substantially equivalent to this position.

If the employer hires a UT&E-referred person, what does the employer pay UT&E?

UT&E does not charge a placement fee.

Is the trainee a temporary worker?

No, an OJT trainee will be considered a regular employee, not a temporary employee.

What if there is a grievance on the part of the trainee?

Grievances shall first be negotiated on an informal basis between the employer, the trainee and UT&E, utilizing the employer's grievance process. The Oregon Consortium's grievance procedures shall govern in the event a resolution is not reached.

What if the job entails organizing union meetings?

UT&E reimbursements cannot be used for union-related activities to either promote or discourage organizing.

Can the employee work with a political or religious organization even if the job does not entail political or religious activities?

No. OTJ trainees are not allowed to work for any political or religious organizations or work in any building that is used for religious instruction or worship. In addition, they cannot participate in any political campaigns or religious activity for the organization while under a UT&E contract.

What kinds of records must the employer keep?

The employer must maintain all necessary records pertaining to the trainee, such as:

- Gross pay
- Fringe benefits for each pay period
- Name
- SSN
- I-9, W-4, W-2
- Job Title and Job Duties statement
- Copies of all UT&E invoices
- Copies of warning letters and correspondence relating to the trainee
- Copy of the training contract

These are subject to audits and must be retained for 3 years following closeout of the contract. If unable to retain these during the 3 years for reasons such as closing/selling their business or bankruptcy, the employer will give all pertinent records to UT&E.

The employer needs to ensure that UT&E, TOC, the State of Oregon, or the Department of Labor can access all records necessary for audit, monitoring or investigation pertaining to this contract. (ONLY DOCUMENTS PERTAINING TO THE TRAINEE ARE SUBJECT TO AUDIT.) UT&E representatives will monitor training through on-site visits twice a month.

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NOTE: UT&E cannot contract with an employer who unlawfully discriminates.

Program Fraud Civil Remedies Act of '86. You cannot ignore a situation because you think it is none of your business. You can be fined if you make a false claim or if you know or have reason to know that a false claim or statement was made.

This Q&A summarizes the contract agreement. Please refer to the actual contract for the complete agreement when contracting for an OJT trainee.