

**On-The-Job Training (OJT) and the Trade Adjustment Assistance (TAA) Program:  
Frequently Asked Questions (FAQ) and Myths & Barriers/How to Overcome Them**

**Key Reference: *Section 236(c) of the Trade Act of 1974, as amended, (the Act)*  
[Trade Adjustment Assistance Reauthorization Act of 2015](#)**

**Additional References: [WIOA OJT Toolkit](#); [WIOA Work-Based Learning Desk Reference](#)**

**FAQ**

- 1. Are states required to conduct cost comparisons between an OJT training program and a classroom training program?**
  - a. There is no specific requirement for this. However, training approved under the TAA Program must be available at a reasonable cost (see Sec. 236(a)(1)(F) of the Act). There is no requirement to compare OJT costs versus classroom training costs. However, if more than one OJT is being considered, the differences in costs and quality between the two OJTs should be compared. Also, if the participant's training program contains both a classroom training and an OJT component, then the classroom training portion should be compared to other similar classroom trainings.
- 2. How do states conduct a cost comparison for reasonable costs for OJTs?**
  - a. States should look at the industry and occupation for which the OJT will be provided. Then the state should identify the incoming skill level of the participant and the skill gap they need to address in order to become proficient in the occupation. Using [O\\*NET](#), the [Quarterly Census of Employment and Wages \(QCEW\)](#), or other appropriate sources, states should arrive at a reasonable wage range upon which to establish the reimbursement rate for the cost of training.  
O\*NET: <https://www.onetonline.org/>  
QCEW: <http://www.bls.gov/cew/>
- 3. Can the OJT employer be required to retain the worker after the OJT training?**
  - a. No. The regulatory language in 20 CFR 617.25(a)(8), requiring the employer to employ the worker for at least 26 weeks after completion of training, is no longer in effect. Under the current statute there must be a reasonable expectation that the OJT leads to suitable employment with the employer (see Sec. 236(c)(1)(B)(i) of the Act). Additionally, the Act prohibits entering into contracts with employers that exhibit a pattern of failing to provide their OJT trainees with continued, long term employment as regular employees, so states should consider this before placing an employee in OJT (see Sec. 236(c)(4)(A) of the Act).
- 4. Are states restricted to placing TAA participants in OJTs that meet the suitable employment criteria?**
  - a. The OJT must, "reasonably be expected to lead to suitable employment with the employer offering the on-the-job training" (see Sec. 236(c)(1)(B)(i) of the Act). If O\*NET data (or other similar data) or information provided by the employer indicates that this is not the case, the OJT cannot be approved.

**5. OJT reimbursement rates are limited to 50 percent in the TAA Program and WIOA can reimburse up to 75 percent. Is the Workforce Innovation and Opportunity Act (WIOA) required to add that additional 25 percent?**

- a. No. There is no requirement for WIOA to provide any additional reimbursement for TAA participants. In limited circumstances, as provided in WIOA section 134(c)(3)(H), WIOA can pay up to 75 percent of the wage rate of the WIOA program participant for the extraordinary costs of providing the training and additional supervision related to the training, if available and authorized under state and local policies. However, it is important to explore partnership opportunities that will support TAA participants, including for the availability of supportive services and post-employment follow-up services as appropriate. The Department recommends that state and local areas create co-enrollment strategies to ensure TAA participants have access to services and benefits, as appropriate, through partner programs under WIOA. See [TEGL No. 19-16](#).

**6. The TAA Program can reimburse up to 50 percent of the cost in OJT. Is there a wage cap?**

No. There is no wage cap established under the TAA Program.

**Myths & Barriers/How to Overcome Them**

**1. TAA will pay for longer and more expensive training; therefore, TAA participants may not be interested in OJT.**

- a. This may be true for some participants but not for all. It is important to provide TAA Program participants with all training options, including work-based learning. Case managers must ensure that all training options are explored to benefit the participant and are strongly encouraged to work with the state and local partners that work directly with employers to support all training options, including OJT and other work-based learning, for TAA participants.

**2. TAA does not, historically, have its own job developers, so we are unable to do the necessary work to build OJT opportunities.**

- a. Some states now have dedicated job developers (also called TAA Navigators) in their TAA Programs, so this is an option. However, if the state does not have a dedicated job developer, it may be possible to coordinate with the WIOA local board, which is responsible for the coordination of a variety of local services, including business engagement and job development, to provide OJT opportunities to TAA Program participants (see Sec. 107(d) of WIOA). The local board also develops and enters into a Memorandum of Understanding (MOU) with the one-stop partners, including the TAA Program, and develops the local plan required by WIOA. The MOU can also outline how the TAA Program can leverage OJT opportunities the local board develops. Alternatively, the state may coordinate directly with local WIOA providers who might have job developers.

**3. TAA rules for OJT are different than WIOA OJT rules, making it more complicated and difficult to enroll TAA participants.**

- a. Approval of contract requirements and other aspects of OJTs under the TAA Program are governed by Sec. 236(c) of the Act. For WIOA, these provisions are found in WIOA sections 3(44), 122(h), 129(c)(2)(C)(iv), 134(a)(2)(B)(v)(II), 134(c)(3), 181, and 194, and 20 CFR 680.700 through 680.750. There may also be local policies in place.
- b. Because many of the requirements of TAA OJT and WIOA OJT are identical, states/local areas could devise a policy that incorporates the identical provisions of the two, and include the TAA- and WIOA-specific elements where applicable. The policy must insure that the benefits (and requirements) for each program are included.
- c. These differences should not be a point of confusion for the participant or the employer. The state should make efforts to coordinate the policies with partner programs to ensure there is one OJT policy versus two or more policies.
- d. Contact your regional coordinator for technical assistance, as needed.

**4. Older workers may not be as interested in OJTs.**

- a. In some cases, states have found that older workers are actually more interested in OJT than younger participants. Hands-on learning while employed in paid work can sometimes be an easier way to gain skills for working adults than classroom training.
- b. Also, older workers might be eligible for the Reemployment Trade Adjustment Assistance (RTAA) benefit while enrolled in an OJT.

**5. Participants and case managers do not know OJTs are an option.**

- a. This may be true, but states should make every effort to educate staff and participants.
- b. Case manager training can be conducted in combination with WIOA and business services training to ensure that there is a similar framework for developing OJTs across the TAA Program and WIOA. You can work with the regional coordinator if you have questions about cost allocation to fund the case manager training.
- c. There are several best practices noted in the Work-Based Learning Webinar. We recommend states engage other states that have had success in developing OJT models with re-employment results. A recording of the webinar is located here:  
<https://www.workforcegps.org/events/2019/02/20/15/45/On-The-Job-Training-OJT-Best-Practices-and-the-Trade-Adjustment-Assistance-TAA-Program>