

## 24.7 EMPLOYER INCENTIVE PROGRAM (EIP)

The Employer Incentive Program (EIP) provides clients, hired by either public or private employers, with subsidized training and employment. Prior to the placement, the employer must make a commitment to retain the employee after the completion of the contract. It is, then, a hire-first program, with training paid for by the Department.

EIP provides participants with structured skill training, the opportunity to improve skill level, and provides those who are marginally-employable with an opportunity to become employed. The expected outcome at the conclusion of the contract is unsubsidized employment.

### A. WHO MAY BE AN EIP EMPLOYER

Any employer, including a public agency, not-for-profit organization, and private business which is licensed to conduct business in West Virginia is eligible to be an EIP employer, provided all business tax payments are current. In addition, the employer must agree to the requirements specified below in item B.

### B. REQUIREMENTS OF THE EMPLOYER

To become an EIP employer, the employer must abide by the following requirements:

- The employer must guarantee appropriate standards for employment. See Section 24.6,B,2.
- The employer must guarantee there will be no displacement/replacement. See Section 24.6,B,1 for the definition of displacement/replacement. Also see Appendix A and B.
- EIP placements must not provide more than 50% of the employer's labor force.
- The employer must make a commitment to retain the client at the conclusion of the contract.
- The employment must not be temporary or seasonal.

- The employer must pay wages, not commissions. However, commissions may be paid in addition to the wage specified in the EIP contract.
- The working conditions and fringe benefits of the EIP employee must be the same as for any other employee in the same class.
- The occupation must require a training period of at least 200 hours.
- The job must be within the scope of the client's assessment and must be one that he may be reasonably expected to learn.
- The employer must guarantee at least 30 hours of employment per week. The maximum number of hours per week is 40.
- The employer must not have employees in lay-off status in the occupation/job title for which the contract is being negotiated.
- Employers must keep daily attendance records for each client. When the OFS-TS-12 is used, it must be completed in its entirety and signed by both the client and supervisor monthly when all training/work hours have been completed. The participation documentation must be received by the Worker by the 5th working day of the following month. A copy is retained by the contractor for audit purposes.

The OFS-TS-12 may also serve as the employer's request for an EIP payment or the employer may submit a request for payment on the business letterhead. The Worker must review the OFS-TS-12 for accuracy prior to issuing payment.

#### C. STANDARDS FOR CONTRACT DEVELOPMENT

The standards for contract development are:

- An EIP contract may be written for one job slot only.
- The EIP contract may be written for a minimum of 200 hours and a maximum of 600 hours.

- The starting wage must be equal to or above the current federal minimum wage.
- The cost of an EIP contract depends on the length of training and the participant's starting hourly wage. The maximum EIP payment allowed the employer is 50% of the participant's hourly rate of pay times hours worked.

**EXAMPLE:** \$6 per hour x 300 training hours \$1,800 x 50% = \$900, total cost of EIP contract.

- The number of EIP training hours are based upon the starting wage as shown in the following chart.

Beginning Hourly Wage	EIP Training Hours
\$5.99 or less	200
\$6.00 through \$6.99	300
\$7.00 through \$7.99	400
\$8.00 through \$8.99	500
\$9.00 or more	600

- EIP contracts are only written with private employers, when the training site is outside of West Virginia.
- Contracts are not written for employers in a highly mobile industry.
- Contracts are not written for occupations that require certification and/or licensure, such as for a CNA, LPN or RN, if the schooling/training results in the certificate or license.
- Contracts are not written for occupations that require minimal training.

EIP placement cannot begin until the EIP agreement is signed by all parties.