



## **Wage Subsidy Program**

The Denver Office of Economic Development–Workforce Development’s Wage Subsidy Program offers four valuable resources to businesses: On-the-Job Training, Customized Training, Work Experience and Training Stipends. Participating businesses may recognize a 50 to 100% savings (as funding permits) in the cost of training new and incumbent workers after going through an application and approval process.

### **On-the-Job Training**

On-the-Job Training program is for individuals who are hired into a full-time position with a business who is participating in the program. The business will provide training for up to six months, learning new skills.

Participating businesses will recognize these attractive benefits:

- Employee’s salary is subsidized at 50% during the training period
- Training period acts as a probationary period, allowing a business to determine if the individual is a good fit for the position before investing 100% of the salary
- Potential tax credits

During On-the-Job Training, the business helps the individual develop the skills and work ethics needed for the position and place of business. Upon **successful** completion of training the business agrees to retain the individual in the position.

### **Work Experience**

Work Experience is a **fully subsidized** internship position with an approved public, private or non-profit employer lasting from two to four months. Work Experience positions are generally reserved for individuals with very little or no work experience who require meaningful learning opportunities. Individuals placed in a Work Experience must be granted an opportunity to learn the skills necessary for successful employment in the field.

### **Customized Training**

Customized Training is available to businesses with a need to train **existing** employees in an effort to remain competitive in their industry. Customized Training addresses training needs to meet changing skill requirements that result from:

- Introduction of new technologies
- Introduction of new production or service procedures
- Any additional skills required to up-grade to a new job/classification and/or other training based on a case-by-case assessment

Businesses demonstrating the need for Customized Training will receive assistance with training costs at 50% through a reimbursement process.

### **Training Stipends**

Training Stipends are available to businesses that need to train **prospective** employees, prior to the hiring process, in an effort to provide necessary short term skill upgrades to meet industry standards. Individuals are then hired into full-time positions with a business participating in the program. Training Stipends can address needs for new recruits such as:

- Industry demanded technologies or certifications
- New production or service procedures
- Any additional skills required to enhance recruits’ competencies for long-term employment based on a case-by-case assessment

*Services are dependant on availability of funds, application, and approval process*



## Business Incentive Programs Q&A/FAQs

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### ***Wage Subsidy OJT***

Q: What is an (OJT)?

A: It is an on-the-job-training program that provides individuals the opportunity to gain work skills in a paid position.

Q: Where do these training opportunities come from?

A: Businesses that participate in the program.

Q: Are positions temporary?

A: No. The goal is for these positions to become permanent once the individual successfully completes training.

Q: Are these positions full-time?

A: Yes, the positions may be 32 to 40 hours per week.

Q: What is the salary?

A: Salary is based on prevailing wages at the start of the training period. An increase in salary will be recognized during and/or at the completion of the training period.

Q: Why might Businesses want to participate?

A: There are several reasons:

- Help to grow a stronger workforce
- Grow their own competent worker
- Receive 50% reimbursement of the individual's wages during the training period (not to exceed six months or \$8,000- subject to change)
- Potential tax credits

Q: What is required of Businesses wishing to participate?

A: An application and approval process is required of all employees wishing to participate. Businesses must fill out an interest application to initiate the approval process. Businesses must agree to the following:

- Have OJT positions available
- Develop a skills training plan
- Provide skills training
- Retain individuals after the training period if they successfully complete the program
- Work with individual's job coach to address issues that may arise
- Meet salary requirements based on prevailing wages
- Pay into unemployment and have workers comp insurance

Q: Who recruits for these positions?

A: WS recruits in the following ways:

- Post jobs on all Denver Workforce Center resource room computers
- Send flyers to Community Based Organizations
- Send out automated voice and email message calls to qualified job seeker customers
- Internal postings for Workforce Center staff to provide appropriate referrals

Q: What is the selection process?

A: Businesses conduct job interviews and make hiring decision. WS assists by:

- Accepting applications
- Sending resumes to the Business so they may conduct job interviews
- Conducting necessary assessments
- Pre-screening applicants

Q: How do Businesses get reimbursed for wages, and when are they paid?

A: An invoice packet is submitted after employees are paid. The invoice packet should be submitted to the city's finance department on a monthly or bi-monthly basis. Businesses should receive payment in approximately 30 days.

### ***Customized Training Subsidy***

Q: What is Customized Training?

A: Customized Training is occupation or industry-specific training designed to meet the special requirements of a Business, or groups of Businesses.

Q: What is the subsidized amount?

A: Customized Training is subsidized at 50%. Businesses pay for not less than 50% of the total training cost upon successful completion.

Q: What are the specifics of Customized Training?

A: Customized Training provided by Businesses or certified vendors, must relate to:

- The introduction of new technologies
- The introduction of new production or services procedures
- Additional skills required to upgrade to a new job/classification

Q: What is required of Businesses?

A: A commitment to employ, or in the case of incumbent workers, continue to employ an individual upon successful completion of the training.

### ***Wage Subsidy Work Experience***

Q: What is Work Experience?

A: Work Experience is a fully subsidized internship position lasting from two to four months, reserved for those individuals with little or no work experience.

Q: What is required of Businesses?

A: Business must provide a meaningful work training/learning opportunity for individuals to learn the skills necessary for successful employment in the field.

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### ***Training Stipend***

Q: What is a Training Stipend?

A: Training Stipends offset costs associated with short term skill upgrades to train prospective employees.

Q: Can existing employees access training stipends?

A: No, Training Subsidies can be accessed by existing staff. Training stipends are directed at prospective candidates that need skill upgrades for long-term employment.

Q: How can a business identify prospective candidates to access these training stipends?

A: Your local Workforce Center can assist with planning and coordination of customized recruitments along with pre-screening of job applicants based on your requirements to identify prospective candidates.

Q: Is permanent employment expected after training?

A: Yes. The goal for these candidates is to obtain permanent employment once the individual successfully completes training.

Q: What is the subsidized amount?

A: A Training Stipend is subsidized up to a maximum of \$5,000 (subject to change).

### **FAQs**

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The program goal is to provide individuals with on-the-job-training opportunities that will allow them to become self-sufficient by providing permanent work, new skills training, and a livable salary.

- Individuals hired must be new, not former employees, and not family members.
- Positions must be full-time (no less than 32 hrs/week).
- On-the-job training (OJT) is up to six months in duration or up to \$8000 per employee (subject to change, may be less than six months).
- Work Experience position is two to four months in duration and is generally 20 to 35 hours a week.
- Salary during OJT is comparable to prevailing wage for industry upon successful completion of training; employee is placed in permanent position and will receive a salary increase.
- Work Experience positions must comply with federal minimum wage requirements.
- Salary for these positions is subsidized at 50% during OJT through a reimbursement process (the first payment may take up to three weeks as a new account must be established).
- Individuals must be enrolled in an eligible Workforce Program upon acceptance of job offer and during participation in the Wage Subsidy Program.
- Per contract, Businesses agree to follow a training plan and work with employees to help them gain the skills and work ethics necessary for successful completion of training.
- Proof of Workers Compensation Insurance and Unemployment Insurance must be provided by Businesses.