

Incumbent Worker Training – IWT

Effective Date

3/8/2023, Revision on 12/12/2025, Revision on 7/29/2026

Purpose

This policy provides criteria to determine which workers, or groups of workers, are eligible for incumbent worker training services and the cost sharing required for incumbent worker training projects. ([WIOA Section 134\(d\)\(4\)](#)).

Background

Incumbent Worker training is designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment and conducted with a commitment by the employer to retain or avert the layoff of the incumbent worker. An ideal incumbent worker training would be one where a participant acquires new skills allowing him or her to move into a higher skilled and higher paid job within the company, thus allowing the company to hire a job seeker to backfill the incumbent worker's position. Incumbent Worker training must increase both a participant's and a company's competitiveness.

Under Section 134(d)(4) of WIOA, local boards can use up to 20 percent of their adult and dislocated worker funds to provide for the federal share of the cost of providing Incumbent Worker Training. NEIWDB will track any Incumbent Worker Training funds to ensure that funding limits do not exceed the 20 percent of adult and dislocated worker funds.

Policy

<https://epolicy.iwd.iowa.gov/Policy/Index?id=139&Version=1>

Incumbent Worker Training Eligibility Criteria

An incumbent worker must be:

1. A U.S. citizen or otherwise legally entitled to work in the U.S.;
2. Age 18 or older;
3. Registered for the Selective Service (males who are 18 or older and born on or after January 1, 1960) unless an exception is justified;
4. Employed;
5. Meet the Fair Standards Act requirements for an employer-employee relationship <http://www.dol.gov/whd>; and
6. Have an established employment history with the employer for six (6) months or more.

Note: Per proposed 20 CFR 680.780, an incumbent worker does not necessarily have to meet the eligibility requirements for career and training services for adults and dislocated workers under this Act.

Employer Eligibility Criteria

The following factors must be considered when determining the eligibility of employers to receive the WIOA share of funds to provide training to incumbent workers using either Adult and/or Dislocated Worker formula funds:

1. The characteristics of the incumbent workers to be trained and how they would benefit from retention or advancement. Consideration should be given to employers who propose to train individuals with barriers to employment as defined in WIOA Section 3(24).;
2. The quality of training. Whenever possible, the training should allow the participant to gain industry-recognized training experience and/or lead to industry-recognized credentials and/ or an increase in wages;
3. The number of participants the employer plans to train or retrain;
4. The wage and benefit levels of participants (before and after training);
5. The occupation(s) for which incumbent worker training is being provided must be in demand;
6. The employer is:
 - a. In an in-demand industry as determined by labor market information; or
 - b. In an in-balance industry as determined by labor market information; or
 - c. In a declining industry, but there are compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in incumbent worker training.
7. The employer must not have laid off workers within 120 days to relocate to Iowa from another state;
8. The employer is current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

Each of the above factors leading to the approval of an incumbent worker training project with an employer must be documented and placed in the contract file.

Project Approval

All Incumbent Worker Training (IWT) projects must receive approval from the Northeast Iowa Workforce Development Board (NEIWDB) Business Engagement & Strategy Committee, or its designee if applicable, prior to the start of training. WIOA-funded reimbursement is not available for training that begins before the required approval has been granted.

Employers who choose to begin training prior to formal approval do so at their own risk. Costs incurred before the approval date are not eligible for reimbursement.

If an eligible training program begins prior to committee approval due to scheduling constraints outside the employer's control (e.g., fixed course start dates, subscription-based training, cohort-based

instruction, or conference registration deadlines), the Business Engagement & Strategy Committee may approve reimbursement for only the eligible portion of the training occurring on or after the approval date. Any reimbursement shall be prorated or otherwise adjusted using a reasonable and documented methodology based on the type and duration of the training.

Employer Share of Training Costs

Employers participating in incumbent worker training are required to pay the non-WIOA (non- federal) share of the cost of providing training to their incumbent workers. ([WIOA Sections 134\(d\)\(4\)\(C\)](#) and [134\(d\)\(4\)\(D\)](#) and proposed [20 CFR 680.820](#))

The employer share is based on the size of the workforce (wages paid to the participant while in training can be included as part of that share and the share can be provided as cash or in-kind that is fairly evaluated) as follows:

- 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

Employer cost share contributions must be tracked and documented in the contract file. In addition, the methodologies for determining the value of in-kind contributions must be documented in the contract file and conform to cost sharing requirements at [2 CFR 200. 306](#).

Multiple Training Cohorts and Series of Trainings

NEIWDB recognizes that some employers may require multiple training cohorts or a series of related trainings to address ongoing workforce needs or certification pathways. Employers may apply for multiple IWT projects within the same program year under the following conditions:

- 1. Distinct Projects:**
Each training activity or cohort constitutes a separate project with its own application, budget, participant list, and outcome documentation.
- 2. Funding Limits:**
Employers may receive multiple IWT awards within a program year, however, the total WIOA funds awarded to a single employer may not exceed \$10,000 per program year unless otherwise approved by the NEIWDB Business Engagement & Strategy Committee or designee, subject to funding availability and demonstrated need.
- 3. Employer Match:**
The required employer cost share must be applied and documented separately for each cohort or project. Match contributions cannot be duplicated across projects.
- 4. Justification:**
Each training must demonstrate a clear business need and connection to employee

advancement, job retention, wage progression, or increased competitiveness. Routine or compliance-based training (e.g., OSHA, HIPAA, or safety refreshers) is not eligible.

5. Tracking and Reporting:

Each cohort must be tracked individually for participants trained, cost per participant, training provider, credentials attained, and post-training outcomes.

6. Pre-Approved Series:

NEIWDB may approve a single umbrella application for a planned series of cohorts if the employer identifies projected training dates, participant numbers, and costs in advance. Cohort-specific documentation must be submitted prior to the start of each training and separate invoices must be submitted for reimbursement.

References

WIOA Section 3(23)

WIOA Section 134(d)(4)

Proposed 20 CFR 680.780, 680.790 and 680.820

2 CFR 200.306

TEGL 19-16