

State of Alaska
Department of Labor and Workforce Development

Divisions: Alaska Workforce Investment Board (AWIB) Employment and Training Services (DETS)	Policy: 07-515.3
Subject: Work Experience	Pages: 5
References: Title I and III of the Workforce Innovation and Opportunity Act of 2014 (WIOA) (Pub. L. 113-128); 20 CFR Parts 601, 651, 652 et al. Workforce Innovation and Opportunity Act; 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 200 CFR Section 200.473, Training and Education Costs; Alaska Employment of Children, AS 23.10.325-370; Alaska Administrative Code, Employment of Minors 8 AAC 05.010-900; Alaska Statute High School Students in Work Study Programs as Employees of the State, AS 23.30.237.	Effective: 2/4/2016 Revised: 8/22/2020
Approved:  <hr/> Louise Dean, Executive Director, AWIB	8/25/2020 <hr/> Date
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1. Parties Affected

This policy applies to Alaska Workforce Investment Board (AWIB) and Division of Employment and Training Services (DETS) staff administering Workforce Innovation and Opportunity Act (WIOA) Title I-B funds, subrecipients of funds issued through the AWIB and DETS, and work experience employers.

2. Background

Work experience is a short-term or part-time planned, structured learning experience that takes place in a workplace for a specified period of time. Work experiences provide participants with opportunities for career exploration and skill development and may take place in the private for-profit sector, the non-profit sector, or the public sector. They may include internships, job shadowing; pre-apprenticeship

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programs; on-the-job training (OJT); transitional jobs; and workforce preparation activities to aid an individual in gaining experience that leads to unsubsidized employment or entry into a registered apprenticeship program. Participants placed in work experiences are generally considered trainees, and employers should not depend on the trainee's productivity to maintain or advance the profit margin or performance of the company or agency.

3. Policy

Subrecipients of public funds distributed through AWIB/DETS shall adhere to the following work experience guidelines:

Career-related assessment - Work experience opportunities may be offered to program participants after an assessment of skills, interests, aptitudes, prior work experience, education, employability, and career objectives has been conducted and it is determined that the participant will benefit from participating in a work experience.

Fair Labor Standards Act - All labor standards where an employee-employer relationship exists, as defined by the Fair Labor Standards Act (FLSA) or applicable state law, must be followed. The provisions of FLSA apply to all participants engaged in a paid work experience, as do federal and state minimum wage laws. Questions regarding whether a participant is an employee or whether an employee's time spent in training is compensable can be answered by the USDOL Wage and Hour Division at 1.866.4.USWAGE, or at <http://www.dol.gov/whd/>.

Displacement of employees - Participants engaged in paid or unpaid work experiences must not displace current employees. Participants should not be placed in a work experience where:

- a. a regular employee is in layoff status from the same or any substantially equivalent job;
- b. the employer has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy with a work experience participant;
- c. the job is created in a chain of command that infringes in any way on the promotional opportunities of currently employed workers;
- d. the placement results in a partial displacement, such as a reduction in the hours of non- overtime work, wages, or employment benefits of any current employee (as of the date of the work experience participation); or
- e. the placement impairs existing contracts for services or collective bargaining agreements. When a program or activity authorized under the subaward covering the work experience would be inconsistent with a collective bargaining agreement, the appropriate labor organization and employer must provide written concurrence before the program or activity begins.

Unemployment insurance (UI) benefits - As work experience is not considered “employment” for the purposes of qualifying for UI benefits, a participant in a paid work experience shall not have UI taxes deducted from work experience wages, even though the participant might be on a regular payroll, receiving wages, and is considered to be employed under Fair Labor Standards Act.

A participant completing a work experience and filing for UI will not qualify for UI on the basis of the work experience wages. However, work experience wages and stipends are considered earnings when a participant is actively filing for UI. Work experience income has the potential to affect the amount and duration of the UI claim in the same manner as regular wages.

WIOA Youth program participants - Work experience for WIOA Youth program participants must link academic and occupational education. The educational component may occur concurrently or sequentially with the work experience. Further academic and occupational education may occur inside or outside the work site. This integrated education and training model ensures that workforce preparation activities, basic academic skills, and hands-on occupational skills training are taught within the same time frame and are connected to training in a specific occupation, occupational cluster, or career pathway. Types of work experiences available for youth participants include summer employment opportunities and other employment opportunities available throughout the school year; pre-apprenticeship programs; internships and job shadowing; on-the-job training; and workforce preparation activities to aid a participant in gaining experience that leads to unsubsidized employment or entry into a registered apprenticeship program.

Alaska Statutes and Alaska Administrative Codes concerning youth ages 14-17 engaging in work experience apply. Youth participants shall not be placed in a paid work experience where occupations or working conditions are prohibited under [AS 23.10.325-370](#) and [8 AAC 05.010-900](#). AWIB/DETS will monitor the employment and training activities of youth for compliance with the provisions of Alaska Statutes and Alaska Administrative Codes relating to the employment of children.

Wages for work experience - For the WIOA Adult, Dislocated Worker, and Youth programs, participants are placed on regular payrolls for paid work experience and are compensated according to [Alaska Minimum Wage Standards](#) or as otherwise stated according to law, statutes, and regulations; or are paid the prevailing wage of employees with similar training, experience, and skills for a similar occupation, as set by the employer. However, since work experience is intended as a trainee position, wages do not typically exceed those for entry level employees. The employer of record will be responsible for withholding federal taxes and workers’ compensation insurance. The participant is responsible for applicable federal taxes as a result of receiving wages.

Stipends for work experience (WIOA Youth program only) - Stipends can be offered in lieu of wages, or concurrently with the classroom training that complements a work experience. A stipend is usually a set amount given for participation in, or completion of, an activity. Stipends impact the withholding of taxes and unemployment compensation. Stipends may not exceed an equivalent Alaska minimum wage unless if in line with the prevailing wage for the position or is a reasonable and normal pay for a work experience job duty. According to the [Internal Revenue Service Publication 15, Circular E, Employer's Tax Guide](#), Section 5, Wage and Tax Statement, stipends are considered miscellaneous compensation and are taxable. The participant is responsible for applicable federal taxes as a result of receiving stipends.

Incentives for work experience (WIOA Youth program only) - An incentive is an inducement or reward made to a Youth participant to encourage achievement of workforce development activities. An incentive must be linked to a measurable activity and an achievement related to a goal such as the completion of training, or obtaining work readiness skills, occupational skills, or basic skills attainment. See [AWIB Youth Incentive Policy 07-522](#).

Payment by check - Wages, stipends, or incentives must be issued in the form of a check (no cash payments).

Non-allowable work experience - Work experience placements may not be in a casino or other gambling establishment, aquarium, zoo, golf course, swimming pool, religious or political activities, or occupations that may be prohibited for youth.

Funding limits - Funding limits for participants enrolled in state and federal programs are determined annually. The work experience funding limit may not exceed the training services limit identified in the [Individual Funding Limits Advisory](#).

Eligible Training Provider List - Work experience training providers are not required to be on the [Eligible Training Provider List](#).

Priority of service - Priority for work experiences must be given to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient.

4. Responsibilities

Subrecipients and AWIB/DETS staff shall:

- a. maintain accurate documentation to track a participant's work experience hours;
- b. remove participants from a worksite that is not meeting agreed upon requirements and milestones outlined in the work experience project; and

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- c. conduct worksite monitoring to ensure that the work experience complies with the terms of this policy and provide technical assistance to the employer to mitigate participant behavior or performance issues. Worksite monitoring includes the:
 - (1) appropriateness of work experience for participants;
 - (2) quality of work experience in teaching good work habits and job skills;
 - (3) quality of outcomes and other benefits to participants;
 - (4) adequacy of work site supervision in assuring compliance to legal requirements and program goals; and
 - (5) response to, and correction of, any findings identified during monitoring or technical assistance.

5. Definitions

- a. **Internship** is a planned, structured learning experience that takes place in a workplace for a limited period of time and may be paid or unpaid.
- b. **Job shadowing** is a temporary, unpaid exposure to the workplace where a participant learns about an occupation by shadowing an experienced worker to understand the work environment and the skills needed for the occupation and potential career options.
- c. **On-the-job training (OJT)** is a contract between AWIB/DETS or subrecipient and an employer who is providing occupational skills training in exchange for the reimbursement of a percentage of the wage rate to help offset the extraordinary costs of providing the training and supervision related to the training.
- d. **Pre-apprenticeship program** is a set of strategies designed to prepare individuals to enter and succeed in a Nationally Registered Apprenticeship (RA) program where there is a formal, documented agreement between the pre-apprenticeship program and RA program. Pre-apprenticeship provides training to increase math, literacy, and other vocational skills.
- e. **Subrecipient** is the organization specified in a subaward or Reimbursable Services Agreement (RSA) as the recipient of a subaward.
- f. **Transitional job** is a time-limited work experience that is wage-paid and subsidized, and is in the public, private, or non-profit sectors, for individuals in the Adult or Dislocated Worker programs who have barriers to employment, are chronically unemployed, or have inconsistent work history. These jobs are designed to enable an individual to establish a work history, demonstrate work success in an employee-employer relationship, and develop skills that lead to unsubsidized employment.
- g. **Workforce preparation** is activities, programs, or services designed to help an individual acquire a combination of basic academic, critical thinking, digital literacy, and self-management skills.