


Date: July 1, 2009

To: Pacific Gateway Workforce Investment Network

From: Bryan S. Rogers
WIB Executive Director 

Subject: **POLICY MEMORANDUM: WDB-27
NEEDS-RELATED PAYMENTS (Adults and Dislocated Workers)**

EFFECTIVE DATE

This policy is effective upon date of issue.

PURPOSE

The purpose of this policy is to address the issuance of Needs-Related Payments (NRP). NRPs are supportive services in the form of monetary assistance necessary to enable individuals to participate in an eligible WIA training program. NRPs may be provided to WIA participants at any time during the active/documented participation in a WIA training program. NRPs are **not** an allowable post-employment/post-exit follow-up service. The provision of any and all supportive services and NRPs are contingent upon the availability of funding.

BACKGROUND

The American Recovery and Reinvestment Act (ARRA) emphasizes use of funds for needs-related payments to ensure participants have the means to pay living expenses while receiving training. The intent of this emphasis is to allow workers to pursue training of sufficient duration to acquire skills and credentials of value that will connect them to emerging jobs as the economy recovers.

Workforce Investment Act (WIA) regulations allow Local Workforce Investment Boards to establish limits on the provision and the authority to establish such limits, including a maximum amount funding and maximum length of time for needs-related payments to be available to customers under the WIA and ARRA. NRPs may be provided to eligible adults and dislocated workers who meet requirements and are enrolled in an ARRA- or WIA-funded training program.

POLICIES AND PROCEDURES

- NRPs may be provided to an eligible, enrolled customer (participant) in a WIA- or ARRA-funded training program to ensure participant has the means to pay living expenses during training of sufficient duration to acquire skills and credentials of value that will connect them to emerging jobs.



- The individual determination of a participant's NRP and the amount of such payments shall be based on continued objective assessment and documentation of active participation in training. The provisions and amount of such payments must be recorded in the Individual Employment Plan (IEP).
- Prior to issuing needs-related payment, program staff must verify eligibility to ensure that these same services are not available through non-WIA funded sources to ensure the participant is not receiving duplicate services, including unemployment benefits.
- At initial assessment or anytime during the program, staff may determine if the participant is eligible for NRPs. If determined eligible, the participant must complete a Supportive Service Request form indicating the need for such payments.

Eligibility for Needs-Related Payments as defined by the Code of Federal Regulations (CFR):

- Adults (20 CFR 663.820) must:
 - a) Be unemployed,
 - b) Not qualify for, or have ceased to qualify for, unemployment insurance (UI) compensation; and
 - c) Be enrolled in a program of training services under WIA or ARRA.
- A Dislocated Worker (20 CFR 663.825) must:
 - (a) Be unemployed, and:
 - (1) Have ceased to qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA-TAA; and
 - (2) Be enrolled in a program of training services under WIA or ARRA by the end of the 13th week after the most recent layoff

-or-

If later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months; or

- (b) Be unemployed and not qualified for unemployment insurance compensation or trade readjustment allowances under TRA or NAFTA-TAA.

- If above eligibility requirements are met, an individual may be awarded NRPs from WIA/ARRA funding prior to the start date of training classes for the purpose of enabling her/him to participate in programs of employment and training services that begin within 30 calendar days. (The Governor may authorize local areas to extend the 30-day grace period to address appropriate circumstances.)

Eligibility Exclusions for Needs-Related Payments

- Needs-related payments shall not be provided to any participant who is:
 - a) Employed;
 - b) Enrolled in, or receiving on-the-job training;
 - c) Conducting an out-of-area job search;
 - d) Receiving Basic Readjustment Services in programs under the Act, or
 - e) Receiving Trade Readjustment Allowances, on-the-job training, out-of-area job search allowances, or relocation allowances under Chapter 2 of Title II of the Trade Act of 1974

Maximum Payment Levels

- The maximum level of an NRP made to a Dislocated Worker shall not exceed the greater of needs-related payments to an eligible dislocated worker in programs under this part shall not exceed the higher of:
 - (1) The applicable level of unemployment compensation; or
 - (2) For participants who did not qualify for unemployment compensation as a result of the qualifying layoff, the weekly payment may not exceed the poverty level for an equivalent period. The weekly payment level must be adjusted to reflect changes in total family income.
 - (3) The weekly payment level must be adjusted to reflect changes in total family income.

The poverty level (published by the Secretary of Health and Human Services):

The 2009 Poverty Guidelines		
Persons in family	Poverty guideline	Daily Amount
1	\$10,830 / 52 weeks = \$208.27	\$41.65
2	\$14,570 / 52 weeks = \$280.20	\$56.00
3	\$18,310 / 52 weeks = \$352.12	\$70.42
4	\$22,050 / 52 weeks = \$424.05	\$84.81
5	\$25,790 / 52 weeks = \$475.00 MAX.	\$95.00

- The weekly unemployment insurance benefits (UI) in California range from \$40 - \$450. The ARRA has extended the maximum allowance by \$25, therefore raising the maximum benefit threshold to \$475. The Corresponding "poverty-based" weekly benefits begin at \$208.27 per week for a family of

one. For customers with multiple family members the maximum allowance is up to a family of 5.

- Prior to issuing an NRP, participant must be enrolled in Activity Code #82 - Needs-Related Payments on the Network's Job Training Automation (JTA) System enrollment form.
- The recipient of these payments must be either actively engaged in an approved training program, or registered for the training and scheduled to begin the training within 30 calendar days.
- Needs-Related Payments are classified "non-taxable" by the Internal Revenue Service.

Payments

- Adults - Payments may not exceed the applicable weekly level of the Unemployment Insurance (UI) as verified through the Unemployment Base Wage File or the maximum hourly distribution may not exceed the current minimum wage for every hour of documented active participation (\$8.00 x 40 hrs = \$320).
- Payments may not be made for weekends, holidays, sick days, absent days, or school vacations.
- There is no cap on duration of NRPs. Participants can receive such payment as long as they are enrolled in the approved training and the assessment of their support needs continues to justify the payments.
- Copy of check and participant signature confirming the receipt of check.
- Payments must be consistent to criteria and to prescheduled distribution (refer to NRP Criteria form).

Documentation

Needs-Related payments must be properly documented and must include:

- The provisions and amount of such payments shall be recorded in participant's Virtual One-Stop (VOS) electronic case file;
- Enrollment Activity Code 82 - Needs-Related Payment;
- Justification for services;
- Amount of planned funding;
- Continuation of NRP provisions;
- Verification of services received.

Coordination with Other Supportive Services Payments

- Participants may receive both needs-related payments and traditional supportive services

Post Training

- A participant may **not** receive needs-related payments after training has ended, for either post employment or post exit follow-up services as he/she is no longer participating in an eligible WIA training, but may still receive all other support services for up to 12 months after exiting the program.

Fraud and Abuse

- In the event of the discovery of fraudulent activity, all payments to the fraudulent party will cease and all funds paid will be recovered. All cases of fraud or suspected fraud will be forwarded to the appropriate legal authorities for prosecution.

REFERENCES

U.S. Department of Labor, Employment and Training Administration N). 30-08
Code of Federal Regulations – 20 CFR 627.305 (6(b)), 20 CFR Part 652 et. al., 20
CFR 663.815 and 20 CFR 664.440
Workforce Investment Act Final Rules - WIA 134(e)(3), WIA 101(46), WIA 106
Employment Development Department Directive, WIAD03-10 Allowable Costs,
04/09/2007
Chapter 2 of Title II of the Trade Act of 1974. (19 U.S.C. 2271, et seq.) or part 617 of
this chapter (section 314(e)(1)).

ADDITIONAL INFORMATION

For questions and additional information, please contact Arleen Ward, Quality Assurance Coordinator, at (562) 570-3680.

<input type="checkbox"/> WIA	<input type="checkbox"/> ARRA	<input type="checkbox"/> OTHER:
<input type="checkbox"/> ADULT <input type="checkbox"/> DISLOCATED WORKER	<input type="checkbox"/> ADULT <input type="checkbox"/> DISLOCATED WORKER	

CUSTOMER NAME:	ENROLLMENT NO.:
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NEEDS-RELATED PAYMENT – Case Notes Documentation

Individual is active in a WIA or ARRA funded training program and qualifies to receive Needs-Related Payments.

Eligibility for Needs-Related Payment determination is based on the following criteria:

- Unemployment Benefit Insurance Exhausted
- Adults (20 CFR 663.820) must:
 - a) Be unemployed,
 - b) Not qualify for, or have ceased to qualify for, unemployment insurance (UI) compensation; and
 - c) Be enrolled in a program of training services under WIA or ARRA.
- A Dislocated Worker (20 CFR 663.825) must:
 - (a) Be unemployed, and:
 - (1) Have ceased to qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA-TAA; and
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-or-

If later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months; or



- (b) Be unemployed and not qualified for unemployment insurance compensation or trade readjustment allowances under TRA or NAFTA-TAA.

If eligibility is determined by (1) or (2) above, the Needs Based Payments will be the maximum amount available. If eligibility is determined by (3) or (4) above, the following maximum guidelines must be used to determine eligibility for Needs Based Payment:

Income Levels (2009)	
Family Size	6 Months
1	\$5,415
2	\$7,285
3	\$9,155
4	\$12,895
5	\$16,635
6	\$18,505

Related Expenses

Determined on an individual basis as it relates to job/training related expenses.

- _____ Temporary shelter
- _____ Meals away from home (based on attendance)
- _____ Other, define and be specific: _____

Payment Begin Date / End Date	Weekly Amount

Participant Signature

Authorized Program Staff

Date

Date

NEEDS-BASED PAYMENTS TRACKING FORM

CUSTOMER NAME: _____

SOCIAL SECURITY # (last 4 digits): _____

Payment Begin Date / End Date

Weekly Amount

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	DATE PROVIDED TO CUSTOMER	AMOUNT (\$)	SIGNATURE
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			