



**pennsylvania**

DEPARTMENT OF LABOR & INDUSTRY

# **Keystone Works Program Guidelines**

# Overview

The **Keystone Works Program** provides business-driven training opportunities for eligible unemployment compensation (UC) claimants. A claimant remains eligible for full UC benefits while participating in training, and businesses are eligible to receive incentive payments when certain milestones are met.

Generally, claimants collecting regular state UC benefits with eligible weeks that meet or exceed the length of training are eligible to participate. The training program can be a maximum of up to 24 hours per week for up to eight weeks. The Department of Labor and Industry (L&I) will review training proposals for approval. Businesses receiving approval will be reimbursed for the increase in its Workers' Compensation (WC) premium, if any, due to the addition of a claimant to an existing WC policy. Upon completion of training, a business that hires a claimant into the job opening being trained for is eligible to receive incentive payments of \$375 for every four consecutive work weeks the claimant remains employed at least 35 hours per week. These incentive payments are available for up to four consecutive periods of four consecutive work weeks for a maximum of \$1,500 in total incentive payments per claimant. Training programs must be for positions in high priority occupations.

## How do claimants benefit?

- Turn training into full-time employment
- Receive job-specific training
- Obtain marketable skills
- Maintain a connection to the workforce
- Expand contact networks

## How do businesses benefit?

- Matched with pre-screened qualified claimants to fill open positions
- Training plans designed by the business to meet individual needs
- Claimants will complete training at business facility and can be productive immediately if hired
- No cost to participate—not even the additional premium cost of providing Workers' Compensation insurance coverage for claimants during the training period
- Up to \$1,500 in cash incentives for hiring claimants that successfully complete training

## How does Pennsylvania benefit?

- Gets unemployed individuals back to work
- Strengthens the workforce through job-specific training
- Improves the state economy
- Reduces the strain on the UC trust fund

# Eligibility

## ***Claimant Eligibility:***

Most current **Pennsylvania** UC claimants with eligible weeks of state UC benefits equal to or exceeding the length of training are able to participate in the Keystone Works Program. Claimants must continue to be eligible to UC for the length of training. Claimants who lose their eligibility for UC during training must be terminated from the Keystone Works Program immediately.

A Pennsylvania resident drawing UC benefits from another state is not eligible to participate in the Keystone Works Program. Claimants must be receiving UC benefits through the Commonwealth of Pennsylvania.

UC claimants with a call back date are not eligible to participate, as they are considered to be on temporary layoff and still connected to the workforce.

Additional requirements may apply.

## ***Business Eligibility:***

L&I will determine those Pennsylvania businesses eligible to participate. Businesses are generally eligible to participate if the following criteria are met:

- The business is willing to offer training.
- The training will not exceed 24 hours per week or eight weeks.
- The training is for a position in a high priority occupation (see below).
- The training is bona fide occupational instruction to benefit the claimant and is consistent with the Fair Labor Standards Act (see below).
- The business has not had recent layoffs in the occupations to be trained.
- Training will not displace current employees.
- The business is not participating in a Shared-Work program.
- There are no current labor-management disputes or strikes.

Additional requirements may apply.

## ***High Priority Occupations (HPOs):***

HPOs are occupations in targeted industry clusters, in demand by employers, with higher skill needs, that are likely to provide family-sustaining wages. The state and local HPO list is developed annually by the Center for Workforce Information & Analysis with input from workforce development professionals and businesses across the state. A list of HPOs for the current year can be found [here](#).

***Fair Labor Standards Act (FLSA):***

The U.S. Department of Labor Wage and Hour Division uses six factors to evaluate whether a worker is a trainee or an employee. The factors are as follows:

1. The training, even though it includes actual operation of the facilities of the employer, is similar to what would be given in a vocational school or academic educational instruction;
2. The training is for the benefit of the trainees;
3. The trainees do not displace regular employees, but work under their close observation;
4. The employer that provides the training derives no immediate advantage from the activities of the trainees, and on occasion the employer's operations may actually be impeded;
5. The trainees are not necessarily entitled to a job at the conclusion of the training period; and
6. The employer and the trainees understand that the trainees are not entitled to wages for the time spent in training.

***Businesses with Active Layoffs:***

Businesses with active layoffs (occurring within the last 12 months) are still eligible to participate. However, claimants may only be placed in occupations that were not affected by the layoffs.

***Participation by Unionized Businesses:***

Claimants are trainees, not employees. Claimants shall not be required to join a union and may not replace any workers covered by a collective bargaining agreement. In addition, claimants cannot be placed at businesses with current labor-management disputes, employees on strike, or a potential strike.

***Workers' Compensation (WC):***

Appropriate proof of WC coverage is required at the time of training approval. In the event a business' WC premium increases as a result of its participation in the program, L&I will reimburse the additional cost using funds appropriated to administer the Keystone Works Program.

As part of the pre-approval process, interested businesses are required to submit a certificate of insurance from their WC insurance company as proof of WC coverage, or, if the business self-insures its workers' compensation liability in Pennsylvania or is a member of an approved group self-insurance fund, a copy of the self-insurance permit issued by L&I. If self-insured, the business acknowledges that the commonwealth has arranged for WC insurance coverage relating to an approved trainee by business' agreeing that the trainee will be covered under its self-insurance program. If approved, participating businesses must ensure that L&I is notified of any changes in the status of these policies or permits.

If requesting reimbursement for any increase in premiums in connection with their workers' compensation insurance coverage for trainees as a result of their participation in the program, participating businesses will be required to submit proof, in the form of an affidavit from their workers' compensation insurance carrier or group self-insurance fund, setting forth the amount and calculation of any such increase in premium, following a final audit at the end of the applicable policy period.

Participating businesses will be required to timely report to their workers' compensation insurer all work-related injuries to trainees, pursuant to the reporting requirements under the Pennsylvania Workers' Compensation Act, and to cooperate with their investigation or defense of any claim, upon request. In addition, participating businesses must notify L&I of injuries to trainees within the same applicable reporting periods.

## **Enrollment**

The Keystone Works Program is voluntary. No claimant is required to participate. Claimants choosing to participate will be matched with businesses that are appropriate for their skill level and interest. Claimants have the option to decline any training and shall not be penalized for doing so.

Businesses should only receive claimant referrals that meet criteria outlined in the training plan. Businesses may interview potential claimants and have the discretion to decline to train a claimant.

Claimants can enroll in the Program through the Keystone Works website at [www.dli.state.pa.us/keystoneworks](http://www.dli.state.pa.us/keystoneworks)

Businesses interested in participating should do the following:

- Register with the [Commonwealth Workforce Development System](#)
- Complete and submit a Keystone Works Training Application and Plan
- Complete and submit a Keystone Works Workers' Compensation Acknowledgement form

Once the Keystone Works Training Application and Plan is approved, claimants will be sought that match the criteria in the training plan. When a business and a claimant are matched and agree to participate in the Keystone Works Program, the following forms must be completed and signed:

- Keystone Works Business Contract
- Keystone Works Claimant Agreement

The Keystone Works Claimant Progress Report shall be used to document claimant progress at the business. The Keystone Works Claimant Progress Report is required for each placement to document hours in training and must be signed by a business representative. The Keystone Works Claimant Progress Report will document the days and hours spent training and any comments from the business representative. The form must be submitted every two weeks.

L&I staff is required to monitor businesses in person, at least once during the training program. During the visit, L&I staff will discuss the progress of the claimant with the business, address any issues, and document the hours trained. In addition, L&I staff will speak to the claimant to verify satisfaction with the training.

## **Training Outcomes**

### ***Claimants:***

Claimants may leave training at any time and for any reason. Claimants who do not complete the training program may request and receive additional training; provided they remain eligible and suitable training can be found. Claimants that exit training, whether voluntarily or otherwise, will remain eligible for UC so long as all other eligibility factors are met. Claimants who refuse an offer of employment may no longer be eligible for UC. This determination will be made by the Office of Unemployment Compensation.

### ***Businesses:***

Businesses may terminate a training program at any time. Individuals that complete training must be considered for employment, but the business is not required to hire an individual that completes approved training. Businesses that terminate training or choose not to hire a trainee may continue to participate in the Keystone Works Program, if desired, at the discretion of L&I.

### ***Business Incentives:***

Subject to the availability of funding, upon completion of training, a business that hires a claimant into the job opening being trained for is eligible to receive incentive payments of \$375 for every four consecutive work weeks the claimant remains employed at least 35 hours per week. These incentive payments are available for up to four consecutive periods of four consecutive work weeks for a maximum of \$1,500 in total incentive payments per claimant.

Each fiscal year, 15 percent of the funds allocated for the Keystone Works Program are reserved for businesses with fewer than 100 employees. If the reserved amount is not committed by April 30 of the fiscal year, it will be made available to businesses with more than 100 employees.

Businesses seeking incentive payments are required to submit proof that the claimant is employed at least 35 hours per week. Acceptable proof includes wage records and pay stubs.

### ***Other Available Programs Post-Training:***

Other workforce programs may be able to be utilized along with the Keystone Works Program. Keystone Works Program claimants who are hired out of the program may be eligible to enroll in Workforce Investment Act On-the-Job Training (OJT). Additionally, Work Opportunity Tax credits (WOTC) may be available to certain for-profit businesses.

*Auxiliary aids and services are available upon request to individuals with disabilities.  
Equal Opportunity Employer/Program*