



Montana Department of LABOR & INDUSTRY

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7 Dislocated Worker Work Experience (WEX) Policy

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9 **Background:** Dislocated Worker Work Experience (WEX) is a planned, structured learning experience that
10 takes place at a worksite and provides an opportunity for skills development as appropriate. The duration of
11 the work experience is limited and is based on the needs of the client. A work experience site may be in the
12 private for-profit sector, the non-profit sector, or the public sector. WEX is an authorized career services activity.

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14 **Scope:** This policy applies to all service providers operating a WIOA Title I Dislocated Worker program; the
15 WIOA Title I Dislocated Worker Program Manager; WIOA fiscal officer and the WIOA monitoring team. This policy
16 is effective July 1, 2020.

17 18 Policy:

19 A. General Program Eligibility and Client Placement Options

- 20 • WEX may be full-time or part-time depending on the needs of the client and service provider funding.
 - 21 ○ Full-time participation is defined as working 32 – 40 hours per week, not to exceed 40 hours
 - 22 per week. Overtime hours and overtime pay are not permitted.
- 23 • WEX must be designed to enhance the employability of individuals through the development of a strong
- 24 attachment to the labor force, valuable work habits and skills, and financial self-sufficiency.
- 25 • WEX is limited to persons needing assistance to strengthen ties to the workforce development system;
- 26 for example, individuals who need to explore new career options due to recent layoffs or declining job
- 27 growth in their current and most recent employment.
- 28 • Individuals who are underemployed and without skills to support upward mobility may be placed in a
- 29 WEX to increase their opportunities for advancement and a wage increase.
- 30 • To establish a WEX, service providers have two options:
 - 31 ○ Standard WEX – The service provider is the employer; paying the client’s wages, withholding
 - 32 taxes, and paying Workers’ Compensation premiums.
 - 33 ○ Alternative WEX – The worksite is the employer; paying the client’s wages, withholding taxes,
 - 34 and paying Workers’ Compensation premiums. The employer invoices the service provider to
 - 35 receive reimbursement.
- 36 • WEX is intended as a short-term training, not to exceed 600 hours. The WEX assignment’s duration is
- 37 based on client needs and goals. Prior work experience and occupational interests should be

38 considered. Providers wishing to establish or extend a WEX beyond a 600-hour duration must receive
39 prior approval from the Dislocated Worker Program Manager.
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41 B. Service Provider and Employer Responsibilities

42 1. Relevant Employment Law

43 The WEX establishes a relationship between the employer and the employee. Service providers and employers
44 must:
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- 46 • Comply with the Fair Labor Standards Act;
- 47 • Provide Workers' Compensation coverage;
- 48 • Withhold Social Security and federal and Montana state income taxes.
 - 49 ○ Exception: Montana state law excludes WEX from the definition of employment for purposes of
 - 50 unemployment insurance compensation (UI). Therefore, employers do not pay UI on WEX wages
 - 51 and WEX participants do not earn wage credits.
- 52 • Pay WEX clients an hourly wage for hours worked. Payment may be in ¼ hour increments. Wages are
- 53 considered a work-training or educational allowance. Each client will receive a wage based on:
 - 54 ○ Applicable federal or state minimum wage; or
 - 55 ○ The same rates as worksite trainees or employees in similar occupations or with similar training,
 - 56 experience, and skills, whichever is higher.
- 57 • Provide WEX clients with the same benefits and working conditions as the other employees performing
- 58 similar work; for the same length of time.

59 2. Required WEX Documents

60 a) A Memorandum of Agreement is required for each worksite. The agreement must be completed prior to
61 placement of a client at a worksite. Employers may choose from the following documents:

- 62 • WEX Agreement.21 – The service provider is the employer; paying the client's wages, withholding taxes,
- 63 and paying Workers' Compensation premiums
- 64 • WEX Wage Subsidy Agreement.21D – The worksite is the employer; paying the client's wages,
- 65 withholding taxes, and paying Workers' Compensation premiums. The employer invoices the service
- 66 provider to receive reimbursement.
- 67 • WEX agreements are set up annually, based on program year (i.e. July 1st through June 30th).
- 68 • One agreement per worksite will cover all clients who are placed at that location.

69 b) Union Concurrence documentation occurs after an informal consultation with the appropriate labor
70 organization.

- 71 • The WEX Union Concurrence Form.23 will be completed when a worksite has a union. If there is not
- 72 collective bargaining agreement in place, a note on the Union Concurrence Form, such as N/A, is
- 73 enough.
- 74 • The Union Concurrence Form must have the signature of the case manager and worksite authorized
- 75 signatory regardless of whether there is a collective bargaining agreement in place.
- 76 • A copy of the Union Concurrence Form must be kept with each Memorandum of Agreement, even when
- 77 a collective bargaining agreement is not applicable.

78 c) A WEX Training Summary Form 21.F must be completed for each job performed at a worksite.

- 79 • There may be multiple summaries tied to a worksite depending on the number of job titles.
- 80 • Like the Memorandum of Agreement, the Training Summary must be completed prior to placement of a
- 81 client at a worksite.

82 d) Timesheets must align with the client's performance of work elements outlined on the Training Summary.
83 Timesheets must document pay period start and end dates, as well as dates and hours worked by the client on
84 Training Summary duties and tasks.

- 85 • At the end of the scheduled work period, all clients must complete the WEX Timesheet.21G.

- 86 • Timesheets must be signed and dated by both the client and the supervisor.
87 • The supervisor must complete the evaluation section of the timesheet; and
88 • The individual signing as supervisor must be listed on the Training Summary as an authorized signatory.
89 e) Worksite supervision must be documented on the WEX Bi-weekly Contact Record.21E. Service providers
90 must visit clients and their supervisors at their worksite on a bi-weekly basis to complete the form together and
91 assist with work-related or personal counseling and coaching. Regular monitoring of client performance and
92 progress may support a decision about the client’s continued participation, transfer to another structured
93 learning experience, placement in unsubsidized employment, or other action as appropriate.
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95 3. MWorks Documentation

- 96 a) WEX case notes must include:
- 97 • How the worksite was determined;
 - 98 • Expected WEX duration; and
 - 99 • Worksite information (worksite supervisor); and
 - 100 • Documentation of why a WEX is necessary to prepare the client for employment.
- 101 b) Individual Payment Authorizations must be set up for each pay period, supported by client timesheets, and
102 must document:
- 103 • Pay period dates or end date; hours worked for the pay period; and costs, including both gross wages
104 and fringe benefits related to WEX.
 - 105 • Only in extraordinary circumstances may more than one pay period be combined on a single payment
106 authorization.
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108 Administrative Requirements:

- 109 • The WIOA Title I Program Managers will provide technical assistance to case managers.
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111 Monitoring and Evaluation:

- 112 • A formal monitoring will be conducted by an entity designated by the SWIB.

113 References:

- 114 • [MCA 39-51-204 1m - Montana UI WEX exclusion](#)
- 115 • [WIOA Section 181 \(a\)\(1\)\(A\) WEX Wage Rate](#)
- 116 • [TEGL 19-16 Adult and Dislocated Workers Services](#)
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