State Requirements for Issuing Needs-Related Payments

The following defines the policy, eligibility, level of payment, and documentation requirements of needs-related payments (NRPs) for adults and dislocated workers under WIOA Title I.

1. NRPs Policy Requirements:
    a. LWDBs must announce through local policies whether or not NRPs will be provided.
    b. If a WDB provides NRPs, the local supportive services or NRPs policies must address the following:
        i. How the level of NRPs (payment amount) is determined.
        ii. How payments will be made to participants on sick, vacation, or holiday leave while in training, if at all.
        iii. Attendance and academic standards and verification process for payments to continue.
        iv. The number of hours/credits for which participants must be registered to remain eligible for NRPs.
        v. How Unemployment Insurance (UI) benefits affect receiving NRPs.
        vi. If NRPs will be suspended during periods of earned income (and how that income will be calculated) and if participants have to re-qualify to start receiving NRPs again once the income ends.
        vii. Who has the authority to approve participant requests for NRPs and a description of the approval process.
        viii. Documentation requirements.
        ix. Coordination and documentation if participants receive NRPs at the same time as supportive services from another program/partner.
        x. A thorough description of the required elements of the payment processing system.
        xi. Who handles NRPs accounting and payment processing.
        xii. The maximum limit for NRPs per participant.
        xiii. The requirement that any alleged and suspected fraudulent activity identified while monitoring be reported immediately to the DOL Office of the Inspector General as provided in proposed 20 CFR 667.630 and 683.620.

Note: NRPs are classified as non-taxable income by the I.R.S.

2. Eligibility Requirements
    a. Adults and OSY ages 18-24 must:
        i. Be unemployed;
        ii. Not qualify for (or have ceased to qualify for) UI; and
        iii. Be enrolled in a program of training services under WOIA Section 134 (c)(3) and WIOA Section 129 (c)(2) for OSY ages 18-24.
    b. Dislocated Workers must:

i. Be unemployed;
ii. Have ceased to qualify for unemployment insurance or Trade Readjustment Allowances (TRA) under TAA;
iii. Be enrolled in a program of training services under WIOA Section 134(c)(3), by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility as a dislocated worker; or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed six months; or
iv. Be unemployed and not qualified for unemployment insurance compensation or TRA.

If these eligibility requirements are met, individuals may be awarded NRPs prior to the start date of training classes for the purpose of enabling them to participate in programs of employment and training services that begin within 30 calendar days. Local policies may extend the 30-day period to address appropriate circumstances.

3. Level of Payment Determination
    a. The payment level for Adults and OSY ages 18-24 must be established by LWDBs. WIOA does not specify a minimum level of payment.
    b. The level of an NRP made to a Dislocated Worker shall not exceed the greater of:
        i. The applicable weekly level of unemployment insurance compensation (for participants who were eligible for unemployment insurance compensation as a result of a qualifying dislocation), or
        ii. If the worker did not qualify for unemployment insurance, the weekly payment may not exceed the poverty level (100 percent of the Lower Living Income Standard Level) for an equivalent period.
    c. The weekly payment level must be adjusted to reflect changes in total family income as determined by LWDB policies.

4. Documentation Requirements
    a. Each LWDB is required to specify in its local supportive services or NRPs policy how it will document the requirements for and payments from this program.
    b. Required documentation includes:
        i. A copy of a UI entitlement decision or confirmation of UI benefits being exhausted, if applicable;
        ii. Evidence of participation in training, such as a copy of ITA(s) or attendance records for each period of training (quarter, semester, class, etc.);
        iii. Signature by participants attesting to their understanding of NRPs requirements and instructions; and
        iv. All eligibility determinations.