

Rewarding Placements in Jobs Providing Employer-Assisted Benefits

The Department encourages Governors in their incentive policies to reward SDAs for placements in jobs with employer-assisted benefits, including health benefits. Rewarding such placements is intended to increase the focus on overall job quality. To include placements in jobs with employer-assisted benefits in their incentive policies, States will need to:

1. Specify how the criterion will be measured. The definition must be consistent with that for SPIR Item 35c (i.e., consisting of, at a minimum, health insurance benefits **and** coverage under Social Security or an equivalent pension plan). Note that it is not necessary for an individual to actually receive benefits when employment begins as long as they are an acknowledged component of employment conditions. For example, health benefits available after a waiting-period and benefits that are refused because of availability from another source both count as employer-assisted benefits. Examples of measures of jobs with benefits, using data from SPIR Item 35c are:
 - among terminees who enter employment, the percent who are in jobs providing employer-assisted benefits; and
 - among all terminees, the percent who enter employment and are in jobs providing employer-assisted benefits.

2. Determine how to reward placement in jobs with employer-assisted benefits. One possible approach would require the State to determine a departure point or benchmark to use in setting rewards levels for benefits. This departure point would serve the same function served by the numerical national standards for the Secretary's core measures. It would be the level that, before any adjustment for local factors, identifies rewardable performance. Under this approach, a State would also decide whether and how the departure point should be adjusted for local clientele and economic conditions when setting reward levels for each SDA.

Rather than setting reward levels for employer-assisted benefits using a process akin to setting standards for the Secretary's core measures, States may choose a simpler approach. Because there are no sanctions based on this criterion, it is not absolutely necessary to set a minimally acceptable performance level. It is possible to reward SDAs at all levels of performance on employer-assisted benefits. One way to do this would be to set aside a portion of incentive funds to reward such placements. This reward pool could be divided among SDAs based on their proportionate share of all placements in jobs with employer-assisted benefits. This procedure is equivalent to giving a fixed

amount for each placement (i.e., the amount is the value of the pool divided by the total number of placements into jobs with benefits in the State).

Because this approach may be viewed as favoring SDAs in areas where benefits are widely prevalent, it should be viewed as interim until better data on employer-assisted benefits are available.