

General Questions and Answers

New Incentives for Employers to Hire and Retain Youth

Questions and Answers:

1. What is the government doing to support small businesses?

The government is investing over \$500M in new initiatives to help small business lower costs and take advantage of new opportunities.

2. How is the Ministry of Advanced Education and Skills Development supporting these new initiatives?

MAESD will support these new initiatives by using the existing Employment Ontario delivery network to provide employers with incentives to hire and retain youth. These incentives will be delivered as part of the Employment Service and the Youth Job Connection programs, and will take effect in January 2018. Eligible employers will receive payments starting in the spring of 2018.

3. How much will employers receive through this incentive?

Employers will receive a maximum of \$2,000 to hire and retain youth (who are not benefiting from a current incentive) as follows:

- For Employment Service (ES) assisted service youth clients matched with a small business (less than 100 employees):
 - between January 1, 2018 and March 31, 2018, a \$1,000 retention payment at 3 months followed by a \$1,000 retention payment at 6 months
 - after April 1, 2018, \$1,000 upon hiring followed by an additional \$1,000 retention payment at 6 months in the job.

These payments would be for employers who are not benefiting from a current incentive through ES.

- For the Youth Job Connection (YJC) program a retention payment of \$1,000 would be payable after 3 months with a further \$1,000 payable after 6 months

to incentivize small and large employers to retain multi-barriered (homelessness, lack of labour market experience, low levels of education etc.) youth for placements made after January 1, 2018.

This retention payment would be in addition to existing employer incentives eligible under YJC.

4. For the Employment Service Component, why are employers receiving a retention incentive of \$1,000 after three months if they hire between January 1 and March 31, 2018, and a hiring incentive of \$1,000 upon hiring after April 1, 2018. Why aren't employers paid upon hiring between January 1 and March 31?

The ministry is officially launching these employer incentives in April 2018, at the start of the ministry's fiscal year. Since the minimum wage increase takes effect in January 2018, and to support small employers, the ministry is allowing eligible employers who hired youth from January to March to also receive the incentive.

Although employers may be eligible as of January 2018, payments will not be issued until April 2018. Employers who hired youth between January and March and retained them will receive their first payment beginning April (the 3 month incentive).

5. How do we define a "small business"?

A small business for the purposes of the incentive delivered under ES is a business with less than 100 employees.

The incentive delivered under YJC is not limited to small businesses.

6. What size of employer will be eligible for the youth transitional wage incentive?

To be eligible for the incentive under the Employment Service program, the employer must have fewer than 100 employees.

Eligibility for the incentive under the Youth Job Connection program is not based on employer size, so all sizes of employers would be eligible for the incentive regardless of the number of employees.

7. How are “youth” defined for the ES component of the incentive?

Youth are defined as any individual between the ages of 15 and 29 years old.

8. How long will the government provide the funding incentives to employers?

The government is committed to helping small businesses create jobs for young people, remain competitive and grow so this incentive will be available over the next two fiscal years (2018-19 to 2019-20).

9. When will the new guidelines be shared?

The new ES and YJC guidelines will be shared in January 2018 and the ministry will be setting up training sessions with service providers.

10. How will this affect the delivery of ES and YJC?

The delivery of ES and YJC will not be affected. The programs’ networks are being utilized as they have the current infrastructure and capacity to deliver this new employer incentive. Service providers will have some additional responsibilities in terms of follow-ups and payments, and will therefore receive 15% of their total incentive budget in incremental administrative funding to support delivery.

11. When will employers be eligible to receive these new incentives?

Employers will be eligible for these incentives beginning January 1, 2018. Payments will start as of April 2018.

12. What other incentives are available for employers?

Employers are eligible for various incentives and supports under the Employment Ontario umbrella, including:

- **The Canada-Ontario Job Grant:** provides an opportunity for employers to invest in their workforce, with help from the government. The Grant provides direct financial support to individual employers who wish to purchase training for their employees.
- **Employment Service:** offers employers who operate a business in Ontario assistance to attract and recruit the employees with the skills they need. The

program also offers financial incentives for employers to provide on-the-job training for participants in job placements, including youth.

- **Apprenticeship Employer Signing Bonus:** A \$2,000 Apprenticeship Employer Signing Bonus (AESB) is available to employers who hire, register, and train an apprentice as part of their participation in Job Matching, Placement and Incentives.
- **Graduated Apprenticeship Grant for Employers (GAGE):** is a grant for employers who hire (sponsor) and train apprentices in 130 eligible trades. Eligible employers will receive an automatic payment as their apprentice completes each level of training and when they achieve their Certificate of Apprenticeship or Certificate of Qualification. The amount of support increases for eligible employers as the apprentice reaches completion milestones.