

Ministry of Labour, Immigration, Training and Skills Development

Questions & Answers for the Achievement Incentive Program

July 2022

Questions about the Program

1. What is the Achievement Incentive program?

The Achievement Incentive program supports employers, including those in group sponsor arrangements, by providing a financial incentive when apprentices meet specific training and certification milestones.

The Achievement Incentive program aims to address the anticipated labour gap and barriers faced by both sponsors and apprentices by:

- Helping sponsors address skills shortages, increase apprenticeship training progression and completion, and offset hiring, on-boarding, and training costs.
- Increasing the number of apprentice registrations.
- Providing a financial incentive to facilitate apprenticeship progression and certification exam pass rates.
- Addressing employment-related apprenticeship training barriers such as lay-offs and the scarcity of trainers/journey persons in trades subject to ratios.

2. What are the enhancements to the Achievement Incentive program?

Retroactive to April 1, 2022, the Achievement Incentive program will be enhanced to include the following:

- A milestone payment of \$1,000 to sponsors for the apprentice's completion of Level 4 in-class training (if applicable).
- A new \$1,000 registration payment, and additional \$1,000 payments per level and certification for new youth apprentices under 25 years of age.
- A new \$1,000 registration payment, and additional \$1,000 payments per level and certification for any new apprentice that self identifies as being part of an underrepresented group (including female, transgendered, Francophone, Indigenous, newcomer, person with a disability and/or racialized).

3. How will the Achievement Incentive program benefit employers and apprentices?

The objectives of the Achievement Incentive program are to increase:

- Employer participation in apprenticeship by offsetting hiring, on-boarding and training costs;
- Apprenticeship registrations by encouraging employers to hire, register and train more apprentices; and
- Apprentice training progression and completion.

The program will support employer engagement by offsetting some of the cost of apprentice training and in doing so will support apprentice progression and completion.

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By encouraging employers to support their apprentices' progression through the program and eventual certification, apprentices will benefit as well. Having more apprentices complete their training will help build a skilled workforce and a stronger economy.

Questions about Eligibility

4. Who will be eligible for the Achievement Incentive program?

To qualify for the Achievement Incentive milestone payments, applicants must:

- Be a corporation or unincorporated businesses that is subject to Ontario income taxes;
- Have a Federal/Ontario Business Number;
- Have an address or permanent work site in Ontario;
- Be an approved ministry sponsor for apprenticeship;
- Have registered a training agreement with an apprentice in a prescribed trade regulated under the Building Opportunities in the Skilled Trades Act, 2021 (BOSTA); and
- Have that apprentice complete a level of in-class training up to 4 levels or the highest attainable trade certification, on or after April 1, 2020.

A group sponsor will be required to enter a business number into the application.

- If the Group Sponsor is made up of a small informal group of companies and does not have a business number; select one of the individual business numbers from the group who will not be registering apprentices directly to use for the application.

For more details on eligibility, please refer to the Achievement Incentive Program Guidelines.

5. Will employers who are part of a group sponsor arrangement be eligible for Achievement Incentive milestone payments?

Yes. Group sponsors will receive the eligibility notice and be responsible for applying for the grant and then distributing and apportioning, where applicable, the grant to the employers who trained the eligible apprentices.

Eligible group sponsors will be issued payments after completing the one-time application and agreeing to the terms and conditions outlined therein.

- The terms and conditions will specify their duty and accountability related to receiving, managing, distributing and maintaining milestone payments.

Group sponsors cannot hold any of the milestone payments received for themselves. Payments must be distributed to employers responsible for the apprentice's training.

- In situations where the group sponsor is an employer providing on-the-job training (e.g., cooperative employer training model), they may keep payments proportional to the training provided per apprentice milestone.

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6. If an apprentice has been exempted from in-class training through the ministry's Prior Learning Assessment and Recognition (PLAR) policy prior to registering as an apprentice, will the employer still be eligible for the program?

Yes. Apprentice exemptions from in-class training as part of the ministry's PLAR policy are considered eligible training milestones. The employer becomes eligible for a payment once all of the eligibility criteria are met.

- For example, the employer of a Hairstylist apprentice who completed ministry-deemed equivalent to apprenticeship formal instruction prior to registering as an apprentice was exempted from Level 1 in-class training on or after April 1, 2020. This employer would be eligible for the Level 1 milestone payment once the apprentice has been registered in the Hairstylist trade for a minimum of 12 months.

7. Is the employer eligible for the Achievement Incentive if their apprentice completed Level 1 in-class training through the ministry's Ontario Youth Apprenticeship Program (OYAP) or Pre-Apprenticeship Training Program (Pre-App)?

Yes. Apprentice exemptions from in-class training provided through the completion of OYAP or Pre-App Level 1 training are considered eligible training milestones. The employer becomes eligible for the Level 1 milestone payment once all of the remaining eligibility criteria are met including the apprentice being exempted on or after April 1, 2020 and being registered for a minimum of 12 months in the trade. If applicable, the employer is eligible for the new registration payment and enhanced milestone payments for any youth and/or underrepresented apprentices sponsored on or after April 1, 2022.

8. Will the program encourage employers to make apprentices wait longer to attend in-class training in order to be eligible for the Achievement Incentive?

No. In cases where the apprentice attends in-class training before completing the mandatory minimum registration period, the employer would still be eligible for a milestone payment once all remaining conditions are met.

- For example, if an apprentice completes Level 2 in-class training after 15 months registered as an apprentice, the employer will receive the Level 2 milestone payment at the 18-month registration mark, provided the employer meets all other eligibility requirements.

9. Would an employer only be eligible for the registration bonus for new youth and underrepresented apprentices?

Yes. Employers are eligible to receive the registration payment for new youth and underrepresented apprentices who have entered into their first Registered Training Agreement on or after April 1, 2022 and have remained registered with the employer for the minimum duration of 45 days.

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For youth and underrepresented apprentices registered prior to April 1, 2022, the employer would not be eligible for the new registration payment but would receive the enhanced payments for any milestones the apprentice achieves after April 1, 2022.

10. If an apprentice changes their sponsor within the 45 days, would the new sponsor receive the registration payment?

Apprentices who subsequently re-register with a new employer under the same trade or pursue a different trade with a new employer within the 45-day registration period would not entitle the new employer to receive the registration payment.

11. Will the new registration and enhanced milestone payments be provided to employers that provide a co-op placement for Ontario Youth Apprenticeship program participants?

OYAP placement employers who sponsor an OYAP participant through an RTA during the program are eligible to receive the registration milestone payment once the minimum 45-day registration period has been reached.

Questions about the Application

12. When will the ministry begin making Achievement Incentive payments and how can I apply?

The Achievement Incentive program began accepting applications in February 2021.

Eligible sponsors will be provided with an email notification from the ministry when apprentices meet AI program milestones prior to being issued payment. Milestone payments will be provided to employers for apprentice trade progression and completion retroactive to April 1, 2020. Enhanced milestone payments, including the new registration milestone payment, will be provided to employers that sponsor new youth and underrepresented apprentices, retroactive to April 1, 2022.

13. What supporting documents are required?

The supporting document should have the sponsor's legal business name and business number. If the sponsor has a GST/HST number, the document should include that as well.

14. The application only allows sponsors to enter one trade. What should sponsors who train apprentices in more than one trade do?

The trade code that triggered the eligibility for the sponsor will be provided in the eligibility notice to use in completing the application. The application is set up in the ministry's system to recognize all trades for which the sponsor is approved to train apprentices because the sponsor's ministry identification number is consistent across multiple trade programs. This means when a sponsor has successfully completed the application and is approved for the Achievement Incentive once, milestone payments for apprentices in other

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trades (for which the qualifying sponsor is approved to train) would flow automatically thereafter.

15. If an apprentice changes sponsors, will the new sponsor receive notification to apply for the incentive?

Yes, provided the subsequent (new) sponsor meets the program's eligibility requirements including mandatory minimum training agreement durations for their apprentices. It is important for apprentices and sponsors to keep their records up to date with the ministry. When an apprentice achieves an eligible milestone, the application notice or payment would go to the qualifying sponsor on record.

Questions about Payments

16. When will sponsors receive their payments?

As part of our service standard, the ministry is committed to processing all Achievement Incentive payments **within 8 weeks for the first payment and 2 to 3 weeks** for subsequent payments of apprentices achieving their milestone.

17. Can an employer receive both enhanced milestone payments for apprentices who are under the age of 25 and self-identified as being part of an underrepresented group?

Yes, an employer would be eligible to receive both enhanced payments for each milestone the apprentice reaches.

For example, the employer would receive \$3,000 once the apprentice completes Level 1 (regular incentive amount (\$1,000) + enhanced youth payment (\$1,000) + enhanced payment for underrepresented groups (\$1,000) = \$3,000).

18. What is the maximum amount an employer can receive through the Achievement Incentive program for each apprentice?

The maximum amount an employer could receive is \$17,000 for an apprentice that self-identifies from an under-represented group and completes a 4-level apprenticeship program before reaching the age of 25.

19. Will Achievement Incentive sponsor recipients be subject to ministry audits?

To help ensure accountability, the ministry has the authority to audit sponsor recipients on an annual basis. This audit may include requests for proof of documentation with respect to apprentice training and employment.

As part of the audit process and in accordance with the Achievement Incentive terms and conditions for group sponsors:

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- All group sponsors issued Achievement Incentive milestone payments will provide the ministry with an annual accounting of how the funds were distributed to their employer members.
- Ministry staff will conduct inquiries with a sample of the employers listed in the accounting to verify that payments were received according to the amounts reported by the group sponsor.

Further details on the Achievement Incentive audit process will be provided when they become available.

20. Will payments through the Achievement Incentive program be taxable?

Yes. Milestone payments received through the Achievement Incentive program will be taxable. Recipients are expected to report the funds in their tax return.

21. How will employers know which apprentices they have received payments for?

The initial application notice that sponsors receive should list the apprentices who have achieved eligible training milestones. After the application is approved and a payment is set up in the ministry's system, a payment notice will be sent, confirming the list of eligible apprentices. For subsequent automatic payments, only the payment notice will be sent, as eligible sponsors only need to apply for the Achievement Incentive once.

22. Will payments be made by cheque or is direct deposit an option?

Payments will be made by direct deposit. The application form requests banking information to make a deposit. All future payments will be automatically deposited. It will take approximately eight weeks for sponsors to receive payment after successfully submitting their one-time online application.

23. How should group sponsors distribute payments for apprentices working with different employers towards the same training/certification milestone (e.g., 50% with one employer, 20% with another and 30% with another)?

The group sponsor is best positioned to determine who is entitled to the payments and whether it should be apportioned among more than one employer for the same training/certification milestone.

Questions about Other Incentives

24. How did the Achievement Incentive program impact the Employer Completion Bonus (ECB), and what is the current status of the ECB?

The ministry has wound-down the ECB program effective the implementation of the Achievement Incentive program. Apprenticeship completion/certification payments are part of the Achievement Incentive program. ECB payments were made to eligible sponsors

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already approved for the ECB in eligible trades up until the launch of the Achievement Incentive program.

Once the Achievement Incentive program launched, ECB payments discontinued, and eligible sponsors that previously received ECB payments may now apply for the Achievement Incentive program to receive milestone payments for apprentices who complete levels of in-class training and achieve trade certification.

Eligible sponsors who received ECB payments between April 1, 2020 and the Achievement Incentive program launch date were issued trade certification milestone payments for these same apprentices who achieved certification over this period.