

Employing Young Talent Incentive

Qs and As for Employers

1. What is the purpose of this incentive?

The government announced through the 2017 Fall Economic Statement that over the next three years, it will invest more than \$500 million in new initiatives to promote economic growth and lower costs for small businesses. As part of this work, businesses will benefit through an Ontario investment of \$124 million for hiring youth ages 15 to 29 years from January 1, 2018 until March 31, 2020.

In order to support youth employment, the Ministry of Advanced Education and Skills Development (MAESD) has partnered with the Ministry of Economic Development and Growth (MEDG) to implement a new retention incentive to support employers who have hired a YJC Client, and a new hiring and retention incentive to support employers who have hired an ES client.

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 (ES) and the Youth Job Connection (YJC) 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 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 are for employers who are not currently benefiting from an 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 youth following a placement or through a job match.

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. Does employer size affect eligibility for this incentive?

To be eligible for the incentive under the Employment Service program, an employer must have less than 100 employees at hire. Employer size is counted using the total number of employees, including all full-time, part-time and temporary employees. If an employer grows above the 100 employee threshold after hire, they are still eligible for the retention incentives for clients hired before exceeding 100 employees.

In the case of an incorporated organization with several satellite locations or program offices, the size of an employer is determined by the number of employees within an incorporated entity.

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.

6. How are "youth" defined for this incentive?

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

7. How long will the incentives be available?

The incentives will support businesses over the next two fiscal years (2018-19 to 2019-20), with some funding allocated for clients who carry over into 2020-2021. Employers can only claim new hires under this incentive until March 31, 2020. The last day of payments is September 30, 2020.

8. 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.

9. Can an employer take advantage of these youth wage supports in addition to other career / employment / training-related funding or programming provided by the Ontario government?

Yes, provided that the financial supports offered are not for the same individual, at the same time, for the same intervention. Employers may also access non-financial supports offered through Employment Ontario or other Ontario government programming (e.g., assistance with job matching).

Within the Employment Service program, these new incentives cannot be combined with other available placement incentives (i.e., employers can access one or the other).

For the YJC stream, employers who apply for the new Employing Young Talent incentive (EYTI) will have access to employer incentives which provide financial support to offset the cost related to the YJC participant while on a job placement or job match. More information on YJC incentives can be found in question 15.

10. Is there a minimum number of hours that an individual must work for their employer to be eligible for the new supports?

Individuals must work a minimum average of 20 hours per week for their employer to be eligible. Employers will disclose hours of work at hire and during follow-ups. Persons with disabilities are exempted from the minimum hour requirements.

11. For Employment Service, what are the eligibility requirements for this incentive?

To qualify for the Employing Young Talent Incentive, the employer must:

- have fewer than 100 employees (including part-time and full-time employees), counted at the point the youth will start work;
- hire the ES assisted youth (between the ages of 15-29) for a job that averages at least 20 hours per week through the Job Matching, Placement and Incentives component of the ES program to receive the hiring incentive of \$1,000;
- retain the ES assisted youth hire at a minimum average of 20 hours per week to receive the retention incentive of \$1,000 and,
- be licensed to operate in Ontario and provide the job in Ontario.

Employers can only receive this incentive for clients that are identified by a service provider. An employer can only receive the incentive for the same individual once.

Employers and clients are also required to meet certain service delivery requirements in order to be eligible for hiring and retention incentives which the service provider will assess.

12. For Youth Job Connection, what are the eligibility requirements for this incentive?

To qualify for Employing Young Talent Incentive, the employer must:

- hire the YJC participant for a job that averages at least 20 hours per week through the Job Matching and Placement component of the YJC program;
 - exceptions to the minimum hours per week requirement can be made for youth with disabilities who may not have the capability to work an average of 20 hours per week
- retain the hired YJC participant in a job that averages at least 20 hours per week for three months after the employment start-date, if job-matched, or three months after the completion of the job placement to receive the retention incentive of \$1,000
- retain the hired YJC participant in a job that averages at least 20 hours per week for six months after the employment start-date, if job-matched, or six months after the completion of the job placement to receive the final retention incentive of \$1,000; and,
- be licensed to operate in Ontario and provide the job in Ontario.

Employers can only receive this incentive for clients that are identified by a service provider. An employer can only receive the incentive for the same individual once.

13. Is there a limit to how many new hires a single employer can receive funding for? Is there a funding cap per employer?

A single employer can receive a maximum of \$50,000 through EYTI-Employment Service and a maximum of \$50,000 through EYTI-Youth Job Connection for the duration of the incentive. The funding cap ensures that a wider range of employers will benefit from these new financial supports.

The \$50,000 will be tied to an employer using their CRA business number.

14. Can employers receive this incentive in addition to other ES incentives?

No. The new incentive only applies to those employers who are not currently benefitting from an existing ES incentive for the same individual. If an employer is receiving funding through a placement with incentive and/or the Apprenticeship Employer Signing Bonus (AESB), they are not eligible for EYTI.

15. Can employers receive this incentive in addition to other YJC incentives?

Existing employer incentives offered through YJC will be available for job placements and job matching; however, payment of these incentives would not overlap with the Employing Young Talent Incentive.

- For YJC participants who have been hired by employers as part of a job placement, the Employing Young Talent Incentive would not overlap with existing financial incentives, as EYTI would be paid out post-placement completion.
- For YJC participants who are job matched with an employer and where financial supports are not required, the three and six month retention schedule for payment of the Employing Young Talent Incentive would begin immediately upon hire.
- For YJC participants who are job matched without placement and where the employer or participant requires financial supports, the three and six month retention schedule for payment of the Employing Young Talent Incentive would begin following payment of other YJC financial supports and closure of the participant's service plan.

16. How is proof of hire/employment verified?

For ES, employers will be required to confirm employment through the proof of hire form.

Proof of employment at 3 and/or 6 months must be verified with the employer and worker during follow-ups. The employer must confirm employment via phone and by providing a paystub for the worker. The client will also be called and asked to confirm their employment and average hours per week..

17. For the retention incentive, what does “still employed” mean?

For an employer to be eligible to receive the retention incentive, the client must be still employed with the same employer and working a minimum average of 20 hours per week.

18. Can the same youth be claimed by two different employers?

Yes, but not at the same time. If the same youth client works for two different employers at different times, both employers are eligible for the incentive.

For example, if a client concludes their employment with employer A, they can then go through JMPI again and be hired for a job by employer B. If employer B meets all other requirements, they would be eligible to receive EYTI.

However, it should be noted that the client must complete the service delivery requirements prior to each job match and the same youth client cannot be claimed by the same employer more than once.

19. If an employer terminates then rehires an employee, are they eligible to receive the incentive?

No. This would disqualify the employer from receiving the incentive. An employer cannot use the incentive to replace existing or laid-off employees.

20. Is the incentive taxable?

An employer in receipt of this incentive must declare it as revenue on their tax return. Employers are encouraged to consult with their accountant for any tax advice.

21. How can employers obtain more information about this incentive?

Information, including how to access the incentive, will be available to the general public through the [Employment Ontario website](#). In addition, the Employment Ontario Contact Centre, available at 1-800-387-5656, offers up-to-date information on employment and training services in Ontario.

Employers can find an Employment Ontario service provider at a location convenient for them. To find locations online, please visit: findhelp.ca