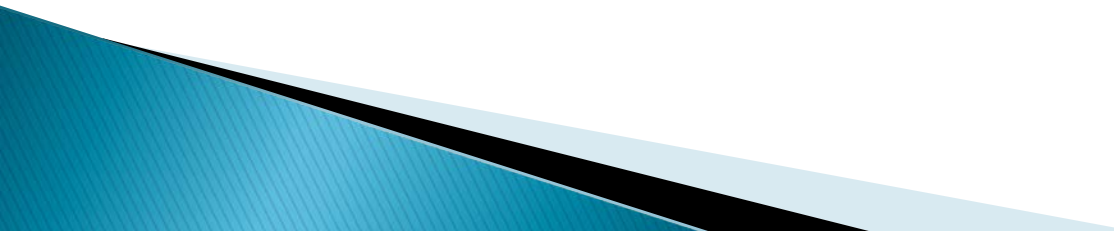


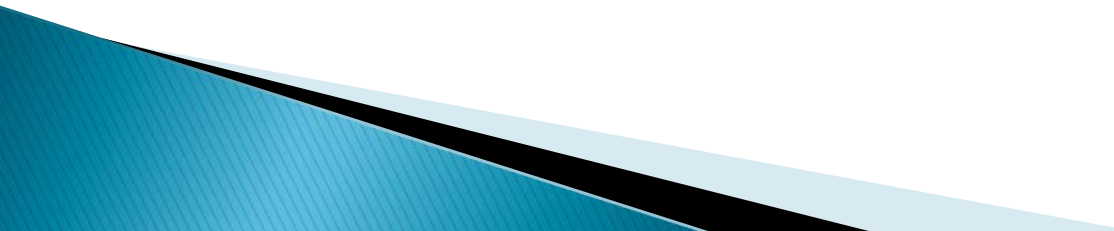
# Federal Bonding Program



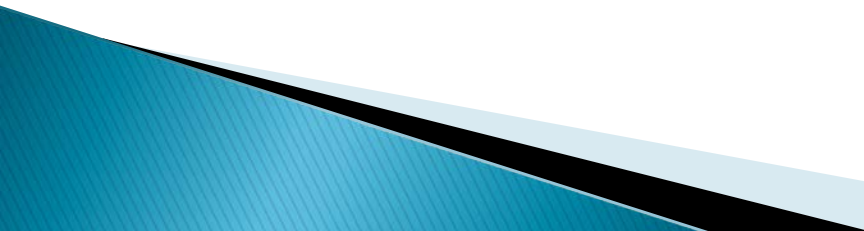
# WHAT IS IT?

- ▶ A tool to help a job applicant with a risk factor get and keep a job
  - ▶ A Fidelity Bond program sponsored by the Department of Labor (DOL)
  - ▶ Program that covers any person whose background usually leads employers to question their honesty and deny them a job
  - ▶ A Fidelity Bond between the employer and DOL that protects the employer against theft, property damage, etc.
- 

# WHAT DOES IT DO?

- ▶ Eliminates bonding as a barrier to employment
  - ▶ Gives employers peace of mind they are covered in the event of any loss of money or property due to employee dishonesty
  - ▶ Provides applicants with a greater variety of jobs with the potential of higher wages
  - ▶ Provides an incentive for employers to hire those with a risk factor
- 

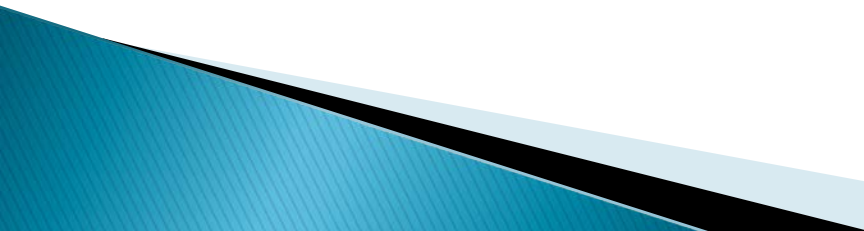
# WHO DOES THE PROGRAM HELP?

- ▶ Ex-offender with a record of arrest, conviction or imprisonment, on parole, probation or has a police record
  - ▶ Recovering substance abusers
  - ▶ Those with poor credit record or declared bankruptcy
  - ▶ Anyone dishonorably discharged from military
  - ▶ Persons who lack work history and are from low income families
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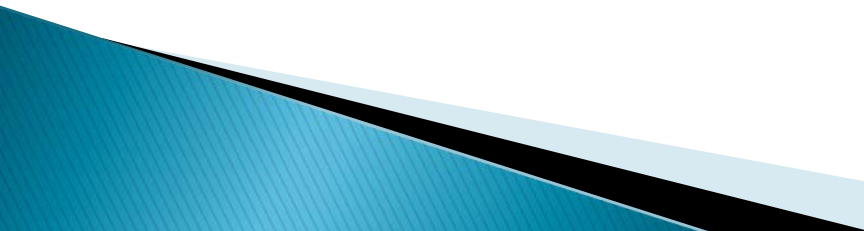
# HOW IS THE BOND ISSUED?

- ▶ Either the employer or job applicant can request the bond, preferably employer
- ▶ Employer must make the applicant an offer with a set start date before bond will be issued
- ▶ Job start date is the effective date which the bond will terminate in 6 months.
  - After 6 months, continued coverage may be purchased by the employer at regular commercial rate, if the employee has exhibited job honesty

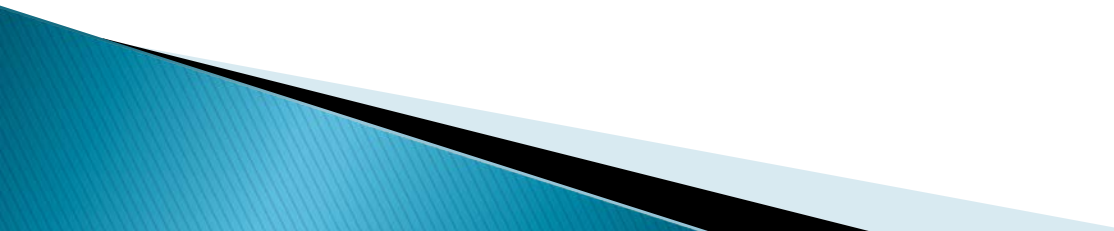
# BOND COVERAGE AND PAPERWORK

- ▶ Total of \$5,000 bond coverage for 6 months is typically issued
  - ▶ No cost or deductible to employer
  - ▶ Larger bond amounts can be considered in certain cases
  - ▶ Once start date is set, bond is issued instantly
  - ▶ Employer and job applicant sign no papers, bond is self terminating
- 

# BOND COVERAGE CONTINUED

- ▶ Bond is issued by local Federal Bonding Coordinator and The McLaughlin Company in Washington will mail a copy of policy to employer
  - ▶ Bonding can be issued to cover current employee to secure a promotion to a new job or to prevent a lay off
  - ▶ If employee finds a better job within the initial 6 months and has been successful, a bond can be issued to the new employer
- 

# MISCELLANEOUS INFORMATION

- ▶ Must meet legal minimum working age of 16 in Iowa, no maximum age
  - ▶ Does not cover self-employment
  - ▶ Fidelity bond is only issued to an employer who will automatically withhold the bonded employee's Federal taxes
  - ▶ A bond can be issued for a part-time or temporary position
- 



# WHO SHOULD YOU CONTACT?

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