

## **THE FEDERAL BONDING PROGRAM**

**www.bonds4jobs.com**

The Federal Bonding Program was created by U.S. DOL in 1966 as an incentive to employers to hire job seekers who were “At Risk” and formerly classified as “Not Bondable” by commercial carriers. This program has resulted in approximately 41,000 placements nationwide.

### **Who does the program help?**

- ◆ Ex-offender with a record of arrest, conviction or imprisonment; any one who has ever been on parole or probation, or has any police record
- ◆ Recovering substance abusers; persons rehabilitated through treatment for alcohol or drug abuse
- ◆ Poor credit record or have declared bankruptcy
- ◆ Dishonorably discharged from the military
- ◆ Persons lacking a work history who are from families with low income

### **What does the bond insurance cover and how does it help someone get a job?**

- ◆ The bond is given to the employer free of charge for six months of coverage. After the six months has elapsed, employers can purchase additional bonding from Travelers if the worker has demonstrated job honesty under the original six month bond
- ◆ It insures the employer for any type of stealing by theft, forgery, larceny or embezzlement. It does not cover liability due to poor workmanship, job injuries or work accidents

### **What employment restrictions exist in the program’s bond coverage?**

- ◆ The worker must meet the state’s legal age for working; there are no age limits. Workers must be paid with Federal taxes automatically deducted from pay; self-employed persons cannot be covered
- ◆ Usually, bonding is issued to cover workers who obtain permanent jobs providing at least 30 hours per week. However, the agency issuing the bond can make an exception to this rule if they determine it is needed

### **How is the bond issued and how much insurance coverage will be given?**

- ◆ The employer or job applicant can request the issuance of the bond to the state bonding coordinator at the Connecticut Department of Labor
- ◆ For the bond to be issued the employer must make the applicant a job offer and set a date for the individual to start work
- ◆ A total of \$5,000 bond coverage is usually issued with no deductible amount of liability for the employer. Larger bond amounts can possibly be issued, but this must be discussed with the state bonding coordinator

### **Are employer’s aware of the bonding program?**

- ◆ There is a high likelihood that employers are not aware of the program
- ◆ The best method to make the employer aware of the bonding program is through the applicant during their interview. The applicant should utilize the bonding program as an incentive or marketing tool to encourage the employer to hire them

All inquiries for the Federal Bonding Program should be directed to the State Bonding Coordinator at the (Bonding Coordinator Information)

*See back of flyer for additional information.*

**Sample Letter that is to be sent to the Department of Labor's Bonding Coordinator if a company has hired someone who requires a Bond.**

(Must be on employer's official letterhead)

*(Date)*

Mr. Donatus Ojide  
Connecticut Department of Labor  
Welfare to Work Unit  
200 Folly Brook Blvd.  
Wethersfield, CT 06109

Dear Mr. Ojide

:

This letter is to confirm that *(name, social security number, and job title of person applying for bond)* will begin working for *(name and address of company)* effective *(date worker is scheduled to start work and hours per week.)*

We appreciate your assistance. Please contact *(name of contact at the company)* at *(company's phone number)* with any questions.

Sincerely,

*(signature of company contact)*

**\*The effective date of the Bond is usually the Start to Work Date of the Employee\***  
**Please Note: The employer needs to contact the bonding coordinator before the employee starts work in order to make the bond effective on the Start to Work Date.**

*\*This letter should be sent to the Bonding Coordinator as soon as possible\**