

New Jersey Department of Labor (NJDOl)
Office of Youth Programs (OYP) - Work Experience Stipends Guidance

For participant stipends paid for work experience activities funded through non-WIOA Title I grant programs administered by the Office of Youth Programs, OYP generally defers to the guidance within the New Jersey Workforce Innovation Notice 1-17 ([NJWIN 1-17](#)), unless otherwise stipulated within a specific grant program's Notice of Grant Opportunity and/or program requirements.

- Stipends should be reasonable and allocable and issued through a uniform payment system.
- Income tax is not to be withheld by the grantee, however, stipends are considered income and should be reported annually by the individual participant pursuant to tax law.

Note: Specific grant or public assistance programs may or may not factor stipends into their income calculations for eligibility. For example, stipends are not factored as income for WIOA eligibility purposes.

It is recommended that grantees consult with other public assistance case managers where applicable to ensure that receipt of incentives or stipends do not negatively impact the participant's receipt of public assistance.

Most workforce development training programs administered by the NJDOl Office of Youth Programs qualify as exempt work training programs under [N.J.A.C. 12:16-20.1](#). Pursuant to [N.J.S.A. 43:21-19\(i\)\(1\)\(D\)\(v\)](#):

"the term "employment" does not apply to services performed (v) By an individual receiving work-relief or work-training as part of an unemployment work-relief or work-training program assisted in whole or in part by any federal agency or an agency of a state or political subdivision thereof".

Therefore, stipends paid through these exempt work training programs are not to be disbursed as payroll, nor should payroll taxes be deducted from their payment.