GEORGIA DEPARTMENT OF LABOR

FederalBondingProgram@gdol.ga.gov

FEDERAL BONDING

FACT SHEET

WHAT IS FEDERAL BONDING?

The U.S. Department of Labor established The Federal Bonding Program in 1966 to provide Fidelity Bonds for "at-risk," hard-to-place job seekers. The bonds cover the first six months of employment at no cost to the job applicant or the employer. Bonds insure against theft, forgery, larceny, and embezzlement by employees.

Did you know?

- Federal bonding has helped over 50,000 individuals gain employment.
- Over 99% of bonded employees have proven to be honest, with a 1% default rate.

Note: The program does not cover bail bonds, contract bonds, performance bonds, or license bonds for self-employment. Poor workmanship or job injuries are not covered.

Learn more at **bonds4jobs.com**.

WHO IS ELIGIBLE?

Job applicants who fall into one of the following categories:

01 Ex-offenders
02 Recovering substance abusers (alcohol or drugs)
03 TANF and SNAP recipients
04 People with poor credit histories or who have declared bankruptcy
05 Individuals dishonorably discharged from the military
06 Anyone who cannot secure employment without bonding services
07 Employed workers who need bonding to avoid termination or secure a promotion

Bonds can be issued as soon as the applicant has a job offer and a scheduled start date. There is no cost to the job applicant or the employer. Workers must be paid wages with Federal taxes automatically deducted from pay; self-employed persons cannot be covered. Full-time, part-time and temporary workers may be eligible.

Bonds are issued for $5,000 coverage for a six-month period. Coverage can be increased or extended based on the situation. Upon expiration, employers may renew or extend the bond for an additional six months at no extra charge.

IT'S EASY FOR BUSINESSES!

1. Set a hire date, and have the applicant visit a Georgia DOL Career Center to share their hiring info.
2. Receive the bond within 15 days—it's effective on the hire date and lasts for 6 months.

A MIDDLE GEORGIA BUSINESS OWNER'S STORY

Last year, T. applied for a job with our family-owned and operated plumbing business. He told us he had been in prison but had taken plumbing courses there and needed a chance. We learned about Federal Bonding through the Georgia Department of Labor. The process was easy, and T. has been with us for over a year as a plumber's helper. In a few months, he'll take the test for a state plumber's license. It's been a positive experience for our 30+-year-old business, and I encourage other companies to consider it. We often struggle to find skilled, reliable workers in the construction trades—Federal Bonding helped us find the employee we needed.

—Nancy H., Plumbing Contractor

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