



At-a-Glance: Probationary Periods and Cancellations Apprenticeship Final Rule, 29 CFR Part 29

How are cancellations and probationary periods defined in the revised regulations?

Among the requirements for registration of an apprenticeship program, the program must provide for a reasonable probationary period. Probationary periods are periods of time (up to one year or 25 percent of the length of the program, whichever is shorter) used by apprenticeship sponsors and apprentices to determine if an apprenticeship agreement is beneficial. Traditionally, the probationary period provides a time frame in which both the apprentice and the sponsor can explore the partnership agreement and terminate the agreement without cause.

Section 29.2 of the revised regulations carries forward the existing definition for cancellation: the termination of the registration or approval status of a program at the request of the sponsor, or the termination of an apprenticeship agreement at the request of the apprentice.

What has changed in the revised regulations regarding cancellations and probationary periods?

The revised regulations include new language in § 29.5(b)(8) that limits the length of the probationary period to a term that cannot exceed 25 percent of the length of the program or one year, whichever is shorter.

Section 29.6(b)(1), a new section on program performance standards, provides for Registration Agencies to evaluate apprentices' completion rates when evaluating the performance of registered apprenticeship programs. Section 29.6(d) provides that cancellations during the probationary period will not have an adverse impact on a sponsor's completion rate.

How were these factors addressed in the original regulations?

The previous regulations required a reasonable probationary period, but did not specify a maximum time limit on probationary periods.

What is the reason for the change?

The limit on the length of the probationary period was added to ensure that apprentices are not retained in probationary status for an extended period of time in an effort to improve a program's performance ratings or conceal program deficiencies. We chose one year or 25 percent of the length of the program as the limit because historically, National Guidelines for Apprenticeship Standards recognized by the Office of Apprenticeship (OA) have used 25 percent of the length of the program as the benchmark. We excluded probationary cancellations from completion rates because we acknowledge that cancellations during probationary periods may have nothing to do with the quality of an apprenticeship program, and to establish a framework that would guard against unintentionally penalizing program sponsors and reducing apprenticeship opportunities. For further information, please refer to pages 64410, 64413-64415 of the [Federal Register](#) Notice for the final rule (73 FR 64402, Oct. 29, 2008).

What are the next steps?

The final rule was published October 29, 2008, in the [Federal Register](#), and takes effect on December 29, 2008. The final rule provides State Apprenticeship Agencies (SAAs) with two years from the effective date to implement necessary changes.

OA recognizes that program sponsors and State Apprenticeship Agencies (SAAs) may require clarification regarding program performance standards, and completion rates, in particular. OA intends to hold meetings and training sessions, and to consult with stakeholders to develop guidance on program performance standards and accountability in the National Apprenticeship System. These training and technical assistance materials and additional policy guidance about final rule implementation will be posted on the OA's regulations Web page, www.doleta.gov/oa/regulations.cfm

For more information about the revised regulations, please contact OA at (202) 693-2796 or Regs.Apprenticeship@dol.gov.

