



FEDERAL BONDING

Employer Benefits:

- No cost.
- The bond coverage is in effect the day the new employee begins working and lasts for six months.
- Coverage lasts for 6 months. Helps alleviate risk for second change clients.
- The bond has no deductible and reimburses the employer for any loss due to employee theft within the specified six-month period.
- No deductible.

Who Qualifies for Bonding?

- Individuals who are not commercially bondable due to past questionable behavior.
This includes:
- Ex-offenders, including anyone with a record of arrest, conviction or imprisonment.
- Those with a poor financial credit history or who have declared bankruptcy.
- Ex-addicts with history of alcohol or drug abuse.
- Those who have been dishonorably discharged from the Armed Forces.
- Persons lacking a work history from low-income families.

Job Requirements

- The employer must have a specific date set for the applicant to begin work.
- The applicant must be of legal working age.
- Federal taxes must be automatically deducted from the check.
- Ensure that the job is suitable for the applicant:
Example: An individual convicted of drug abuse may not be placed where drugs are readily accessible like a pharmacy or hospital.
- Self-employed and/or franchised individuals are not eligible.

Coverage Amounts

- Bonds are issued in increments of \$5,000 for a period of six months. The maximum amount is \$25,000. \$5,000 - \$25,000 depending on need/value.
- \$5,000 is generally sufficient to cover most circumstances.
- Coverage is based on the potential or estimated risk to the employer for financial loss in one event.
- Bonds in excess of \$5,000 should be limited to positions where the employer may lose more than \$5,000 in money or property at one time. The requester should base a bond request in excess of \$5,000 upon reasonable justification.

Bond Information

- Bonds can be issued to any employer regardless of whether the company has or has not commercially purchased a Fidelity Bond.
- Specific coverage includes theft, forgery, larceny or embezzlement. Bonds do not provide coverage for situations due to poor workmanship, job injuries or work accidents.
- It is not a bail bond, court bond, contract bond, performance bond, name bond, blanket bond or license bond.
- Bonds are not transferable from one employer to another.

The Bonding Process

The process is simple and quick:

- A letter will be sent which will include the name of the job seeker for whom the bond is being issued, bond effective date, amount and period of coverage, etc.

Contact your local HIRE Representative or visit Indiana's Federal Bonding web page at:

www.in.gov/dwd/2459.htm