# **The Federal Bonding Program**



## What Is The Federal Bonding Program?

It is a unique tool to help a job applicant obtain and maintain employment. The program issues Fidelity Bonds and is sponsored by the U.S. Department of Labor.

## What Is Fidelity Bonding?

- Insurance to protect employer against employee dishonesty
- Covers any type of stealing: theft, forgery, larceny, and embezzlement
- · In effect, a guarantee of worker job honesty
- An incentive to the employer to hire an at-risk job applicant
- ·A unique tool for marketing applicants to employers
- Does NOT cover "liability" due to poor workmanship, job injuries, work accidents, etc.

- ·Is NOT a bail bond or court bond needed in adjudication
- Is NOT a bond needed for self-employment (contract bond, license bond, or performance bond)

### Fidelity Bonding Services Are User-Friendly

- •NO papers for employer to sign to obtain free bond incentive for job hire
- •NO follow-up and NO termination actions required for bond issued
- •NO deductible in bond insurance amount if employee dishonesty occurs
- •NO age requirements for bondee other than legal working age in state
- •NO other U.S. program provides Fidelity Bonding services
- •NO Federal regulations covering bonds issued
- ANY job at ANY employer in ANY state can be covered by the bond

#### For more information, go to http://www.bonds4jobs.com or call (615) 741-0286, (615) 253-6634.

#### Who Is Eligible for Bonding Services?

- Any at-risk job applicants including ex-offenders, adults who lack work history, individuals dishonorably discharged from the military, and others
- Anyone who cannot secure employment without bonding
- •All persons bonded must meet the legal working age set by the state in which the job exists
- Must be an employee who earns wages with Federal taxes automatically deducted from paycheck
- •Bonds can be issued to cover already employed workers who need bonding in order to (a) prevent being laid off, or (b) secure a transfer or promotion to a new job at the company
- •Bonding coverage can apply to any job at any employer in any state

## How Can Bonds Be Accessed Under the Federal Bonding Program?

- •Exclusively through the Federal Bonding Program by Travelers, which is not duplicated by any other U.S. program
- Bonds range from \$5,000 to \$25,000 for a six-month period and are renewable though Travelers when coverage expires

## Why Is Fidelity Bonding Needed for Job Placement?

- Employers view ex-offenders and other at-risk job seekers as potentially untrustworthy workers, thereby denying them job-hire
- Insurance companies will not cover risky job applicants under commercial Fidelity Bonds covering employee dishonesty
- •Anyone who has ever committed a fraudulent or dishonest act is deemed NOT BONDABLE by insurance companies
- Job bonding enables the employer to obtain worker skills without taking risk
- Persons who are NOT BONDABLE can become BONDABLE after six months of bond coverage under the Federal Bonding Program (such commercial bonding will be made available by the Travelers Casualty and Surety Company of America, also known as Travelers)

