Federal Bonding Program
WHAT IS IT?

- A tool to help a job applicant with a risk factor get and keep a job
- A Fidelity Bond program sponsored by the Department of Labor (DOL)
- Program that covers any person whose background usually leads employers to question their honesty and deny them a job
- A Fidelity Bond between the employer and DOL that protects the employer against theft, property damage, etc.
WHAT DOES IT DO?

- Eliminates bonding as a barrier to employment
- Gives employers peace of mind they are covered in the event of any loss of money or property due to employee dishonesty
- Provides applicants with a greater variety of jobs with the potential of higher wages
- Provides an incentive for employers to hire those with a risk factor
WHO DOES THE PROGRAM HELP?

- Ex-offender with a record of arrest, conviction or imprisonment, on parole, probation or has a police record
- Recovering substance abusers
- Those with poor credit record or declared bankruptcy
- Anyone dishonorably discharged from military
- Persons who lack work history and are from low income families
HOW IS THE BOND ISSUED?

- Either the employer or job applicant can request the bond, preferably employer.
- Employer must make the applicant an offer with a set start date before bond will be issued.
- Job start date is the effective date which the bond will terminate in 6 months.
  - After 6 months, continued coverage may be purchased by the employer at regular commercial rate, if the employee has exhibited job honesty.
BOND COVERAGE AND PAPERWORK

- Total of $5,000 bond coverage for 6 months is typically issued
- No cost or deductible to employer
- Larger bond amounts can be considered in certain cases
- Once start date is set, bond is issued instantly
- Employer and job applicant sign no papers, bond is self terminating
BOND COVERAGE CONTINUED

- Bond is issued by local Federal Bonding Coordinator and The McLaughlin Company in Washington will mail a copy of policy to employer.
- Bonding can be issued to cover current employee to secure a promotion to a new job or to prevent a lay off.
- If employee finds a better job within the initial 6 months and has been successful, a bond can be issued to the new employer.
MISCELLANEOUS INFORMATION

- Must meet legal minimum working age of 16 in Iowa, no maximum age
- Does not cover self-employment
- Fidelity bond is only issued to an employer who will automatically withhold the bonded employee’s Federal taxes
- A bond can be issued for a part-time or temporary position
WHO SHOULD YOU CONTACT?

Kristi Judkins  
Federal Bonding Coordinator  
1000 East Grand Avenue  
Des Moines, Iowa 50319  
Phone – 515–725–2007  
Cell – 515–318–9039  
Fax – 515–281–9641  
Kristi.judkins@iwd.iowa.gov  
www.iowaworkforce.org