“With unemployment at an all-time low, businesses are faced with an opportunity to hire individuals who need a second chance. This program gives those employers an incentive that protects their assets when hiring at-risk job applicants – employees who are ready for a new start and willing to work hard to secure their future success.”

- Executive Director Dan Ellzey
Department of Employment and Workforce

“... Since 1966 over 50,000 individuals who have been challenged in finding employment have taken advantage of Fidelity Bonds, and the program has experienced a 99 percent success rate in supporting peoples’ efforts to secure employment and stay employed. This means that less than one percent of the bonds issued have actually been paid out (a claim paid to an employer).”

- U. S. Department of Labor

“Yes I have a record, but this job would mean a lot to me and mean more to me than the next person because you are giving me a better opportunity that I wouldn’t already have. They said we are going to give you a chance, welcome aboard. I couldn’t believe it!”

- Returning Citizen

The Federal Bonding Program is sponsored by the U.S. Department of Labor and administered by the S.C. Department of Employment and Workforce.

Revised: August 20, 2019
Catalog #: 127
WHAT IS THE FEDERAL BONDING PROGRAM?

The Federal Bonding Program enables an employer to obtain skilled workers without taking risk, giving them a second chance at success.

Through the program, a business is provided fidelity insurance free of charge, and the job seeker is provided a tool that increases their employability.

Sponsored by the U.S. Department of Labor and administered by the S.C. Department of Employment and Workforce, this insurance policy protects businesses and helps eliminate a significant barrier to employment for individuals who may possess very employable job skills.

WHO MAY REQUEST THE FIDELITY BOND?

If you are an individual seeking bonding services, you may contact your local SC Works Center to request a Federal Bonding Voucher. The voucher informs potential employers of your Federal Bonding eligibility and provides the employer instructions on how to apply for the bond if you are selected for hire. Visit scworks.org and click “Find a Center”.

Employers must request the bond from the State Bonding Coordinator at FederalBonding@dew.sc.gov after making a firm job offer and setting a start date.

WHO IS ELIGIBLE FOR FEDERAL BONDING COVERAGE?

Bond coverage is provided for any worker that may be considered high risk. Businesses and individuals must enroll in the SC Works Online Services system at Jobs.SCWorks.org as a requirement for bonding.

High risk workers are defined as:

- Justice-involved individuals with a record of arrest, conviction, or imprisonment; anyone who has ever been on parole or probation or has any police records.
- Recovering addicts who have been rehabilitated through treatment for alcohol or drug abuse.
- People with poor personal credit records or those who have declared bankruptcy.
- People lacking a work history.
- People dishonorably discharged from the military.
- Workers who need bonding in order to prevent being laid off or to secure a promotion.
- Anyone else who needs the bond in order to get a job.

HOW AND WHEN IS THE BOND ISSUED TO THE EMPLOYER

- Bonds are issued directly to the employer by the fidelity bond insurance company.
- The job start date is the effective date of the bond insurance.
- Bonds are self-terminating after six months.
- After the initial six months of coverage terminates, continued coverage may be available for purchase by the employer at the market rate through the fidelity insurance company.

HOW MUCH BOND INSURANCE WILL BE ISSUED?

A total of $5,000 coverage, without a deductible, is issued to the employer. Larger bond amounts may be provided if it is determined to be appropriate.

ARE THERE RESTRICTIONS IN THE PROGRAM’S COVERAGE?

- Workers must meet the legal age requirements for employment in their respective state of residence.
- Wage payments must include deduction of federal taxes.
- Anyone self-employed cannot be covered.