

# New York State Federal Bonding Program Q & As

## Q. WHAT IS THE NYS FEDERAL BONDING PROGRAM?

- A. It is a unique tool to help a "high risk" job applicant get and keep a job. The program issues Fidelity Bonds, and is sponsored by the New York State Department of Labor.

## Q. WHAT IS A FIDELITY BOND AND WHAT DOES IT COVER?

- A. It is a business insurance policy that protects the employer in case of any loss of money or property due to employee dishonesty.

## Q. HOW DOES THE BOND HELP SOMEONE GET A JOB AND WHO IS ELIGIBLE?

- A. The bond is given to the employer for six months free-of-charge and serves as an incentive to the company to hire a job applicant who is an ex-offender or has some other "risk" factor in their personal background such as poor credit or a lack of work history. After six months the employer may purchase continued coverage.

## Q. WHAT RESTRICTIONS EXIST IN THE PROGRAM'S BOND COVERAGE?

- A. The worker must meet the legal age for working in New York State and be paid wages with Federal taxes automatically deducted. The job must be full time with the potential to last at least six months, part time and temporary employment is not covered.

## Q. SINCE EMPLOYERS BUY FIDELITY BOND INSURANCE TO PROTECT AGAINST EMPLOYEE DISHONESTY, WHY IS THE PROGRAM'S BOND NEEDED?

- A. Fidelity Bonds that employers purchase commercially do not cover anyone who has a poor credit history or has committed "a fraudulent or dishonest act."



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# Bonding Program

## Q. CAN BONDING BE ISSUED TO COVER AN ALREADY EMPLOYED WORKER?

- A. Yes, a bond can be issued to cover a current employee who is **NOT BONDABLE** under the employer's insurance, and needs the program's bonding in order to secure a promotion to a new job requiring bonding or to prevent being laid off or terminated.

## Q. WHO MUST REQUEST ISSUANCE OF THE FIDELITY BOND?

- A. Issuance of the bond for job placement to occur can be requested by either the employer or the job applicant. This request is to be made to the local One-Stop Career Center. Please refer to the Regional Contact List.

## Q. HOW MUCH BOND INSURANCE COVERAGE WILL BE ISSUED?

- A. A total of \$5,000 bond coverage is usually issued, with **NO DEDUCTABLE** amount of liability for the employer. \$10,000 is available if authorized by the New York State Bond Coordinator.

## Q. HOW MUCH PAPERWORK IS INVOLVED?

- A. **NONE.** Once the date is set for the applicant to start work, the bond can be issued instantly. The employer signs **NO** papers, and keeps **NO** special records since the bond is self-terminating.

### Regional Bond Contact Numbers:

Capital/Northern	(518) 792-5811
Central/Mohawk Valley	(315) 498-2811
Finger Lakes	(585) 258-3507
Hudson Valley	(914) 997-9594
Long Island	(516) 934-8545
New York City	(718) 390-8339
Southern Tier	(607) 741-4520
Western	(716) 851-2680
NYS Department of Labor Federal Bond Coordinator	(518) 485-2151



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