

New York State Federal Bonding Program

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 from one of several target groups, such as:

- People with poor credit
- People who declared bankruptcy
- Welfare recipients
- Ex-offenders
- Recovering substance abusers (alcohol, drug abuse)
- Youth who have participated in any State- or local-operated summer or year-round youth program
- People who lack a work history
- People with a dishonorable military discharge

After six months, the employer has the option to 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. Any full- or part-time job is covered, as well as long-term temporary and temporary-to-permanent positions.

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 do not cover anyone who has a poor credit history or has committed “a fraudulent or dishonest act.”

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.** Either the employer or the job applicant may ask that a bond be issued. This request should be made to the nearest Local Bonding Coordinator.

Q. How much bond insurance coverage will be issued?

- A.** A total of \$5,000 bond coverage is usually issued, with no deductible amount of liability for the employer. Bonds come in amounts of \$5,000, \$10,000, \$15,000, \$20,000 or \$25,000. Bonds above \$5,000 must have both justification and approval by the State Bonding 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.

To apply, contact your nearest Local Bonding Coordinator.

The complete list of Local Bonding Coordinators in New York with contact information is available at: <http://www.labor.ny.gov/businessservices/services/fbp.shtm>

**NYS Department of Labor
Bonding Coordinator**

(518) 485-2151

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ASSIST *the Unemployed*

CONNECT *Employers and Workers*

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