

# Federal Bonding Fact Sheet

## What is Federal Bonding?

Federal Bonding provides employers with limited liability coverage at no cost when they hire job applicants who cannot be covered by a commercial bond. A Federal Fidelity Bond from Travelers Insurance is a business policy that insures employers against theft, forgery or embezzlement by the bonded employee.

The bond does not cover liability due to poor workmanship, job injuries or work accidents. The Federal Bonding Program does not provide bail bonds, contract bonds, performance bonds or license bonds for self-employment.

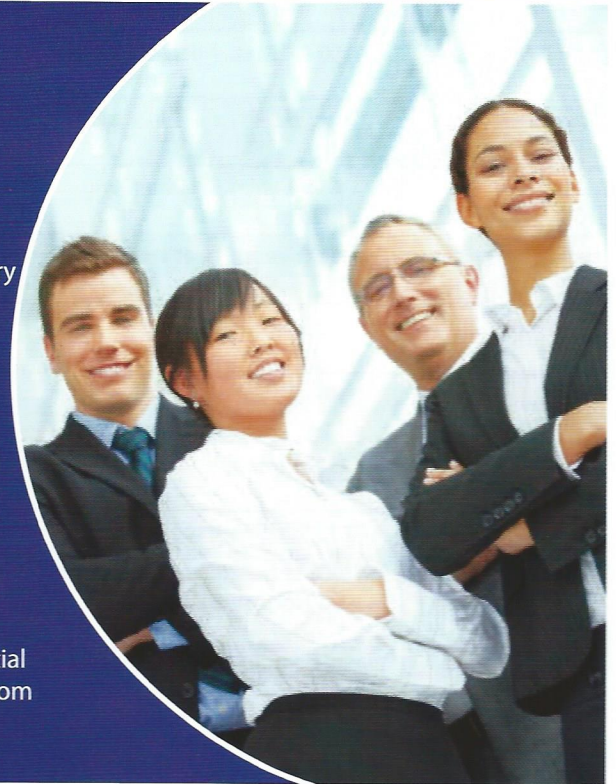
## Who is Eligible?

Job applicants who fall into one of the following categories:

- Ex-offenders
- Recovering substance abusers (alcohol or drugs)
- Welfare recipients
- People with poor credit histories or who have declared bankruptcy
- Economically disadvantaged youth and adults who lack a stable work history
- Individuals dishonorably discharged from the military
- Anyone who cannot secure employment without bonding services
- Employed workers who need bonding to avoid termination or secure a promotion

Bonds can be issued as soon as the applicant has a job offer and a scheduled start date. Workers must be paid wages with federal taxes automatically deducted from pay; self-employed persons cannot be covered. However, part-time and temporary workers may be eligible.

Over 95% of bonds are issued for \$5,000 coverage for a six-month period. Coverage can be increased or extended based on the situation. When the initial bond coverage expires, employers can purchase continued bond coverage from Travelers Insurance.



It's this **easy** for business!

1. Find a qualified job applicant - Georgia DOL can provide screened referrals if you need help.
2. Once you set a hire date, have the applicant stop by a Georgia DOL Career Center to provide hiring information.
3. Receive a confirmation email from Georgia DOL within 48 hours.
4. Receive the bond within 15 days - it will be effective on the hire date and last 6 months.

## Did you know that...

- Federal bonding has helped over 40,000 individuals become employed?
- Over 99% of those bonded have proven to be honest employees, resulting in only a 1% default rate?
- Georgia DOL career centers are listed on the back of this fact sheet. You may also visit the Federal Bonding Program website at [www.bonds4jobs.com](http://www.bonds4jobs.com) for details.