

SHARED-WORK FACT SHEET: *An Overview for Employers*

What is Shared-Work?

- Shared-Work is a voluntary program that provides employers facing a decline in business with an alternative to layoffs.
- Shared-Work preserves employees' jobs and the employer's trained workforce during disruptions to the firm's regular business activity by allowing the employer to reduce the work hours of a group of employees as an alternative to a layoff.
- Employees covered by an approved Shared-Work plan receive a percentage of their normal UC benefit while they work the reduced work schedule, assuming they are otherwise eligible for UC.
- Shared-Work cushions the adverse effect of the reduction in business activity on employees and ensures that these employees will be available to resume prior employment levels when business demand increases.



An Innovative Alternative
to Employee Layoffs

Why Choose to Participate?

- Shared-Work offers an alternative to laying off your employees if you are facing a decline in business due to an economic downturn.
- You can reduce employee work hours to reflect decreases in business demand, retain your skilled employees, and avoid the expense of recruiting, hiring and training new employees when business demand increases.
- You determine your current production demands and your employees share the work as part of your Shared-Work plan.
- Employees avoid the hardships of a layoff and continue to earn a portion of their regular wages.
- Employees collect some unemployment benefits to replace a portion of their lost wages.

How Does It Work?

- An employer wishing to participate in Shared-Work submits a Shared-Work plan to the Office of UC Benefits for approval, identifying the:
 - ✓ Affected unit (or units) covered by the plan.
 - ✓ Number of full-time or part-time employees in the unit.
 - ✓ Percentage of employees in the unit that could be laid off if the plan is not approved.
 - ✓ Estimated number of layoffs that would have occurred absent the Shared-Work plan.
 - ✓ Employees in the affected unit to be served under the Shared-Work plan by name and SSN.
 - ✓ Employer's unemployment tax account number.
 - ✓ Strategy of how the employer will notify employees in the affected unit (including those employees in a collective bargaining unit, if applicable). If notice is not feasible, an explanation must be provided.
 - ✓ Usual weekly hours of work for employees in the affected unit and the specific percentage by which their hours will be reduced during all weeks covered by the plan. The percentage of the reduction in hours must be between 20 and 40 percent. Any week for which the employer regularly provides no work (due to a holiday or other plant closing) should also be provided.
 - ✓ The first date that hours will be reduced for the employees and the number of weeks that the hours are expected to be reduced.
 - ✓ Any other information required by the Office of UC Benefits.

- The Shared-Work employer also certifies that:
 - ✓ If the employer provides health and retirement benefits to any employee whose usual weekly hours of work are reduced, such benefits will continue to be provided under the same terms and conditions as though the usual weekly hours of work for the employee had not been reduced or to the same extent as other employees not participating in the program.
 - ✓ The aggregate reduction in work hours is in lieu of layoffs.
 - ✓ The employer will furnish reports to the Office of UC Benefits relating to the proper administration of the Shared-Work plan and allow Office of UC Benefits access to all necessary records to approve or disapprove the plan application, and to monitor and evaluate the plan.
 - ✓ The employer will follow any other directives the Office of UC Benefits deems necessary for the agency to implement the plan which are consistent with the requirements for the Shared-Work plan application.
 - ✓ The participation and implementation of the plan is consistent with the employer's obligation under applicable federal and state laws.

- The Shared-Work employer submits biweekly reports to the department detailing the number of hours that each employee worked each week.
- Employees receive a pro-rata share of the weekly unemployment benefits that the individual would have received if totally unemployed.
 - ❖ Example: An employee normally works a 40-hour work week. The employee's work week is reduced by 8 hours or 20%. The employer submits a Shared-Work plan and it is approved. The employee qualifies for unemployment benefits and, if that individual was totally unemployed, would receive a weekly benefit amount (WBA) of \$270.00.
 - 20% x 40 hours work week = 8 hours
 - Employee works and earns wages for 32 hours
 - 20% x \$270 WBA = \$54.00.

Under the Shared-Work plan, the employee receives \$54.00 of unemployment benefits (before any deductions) in addition to the 32 hours of wages earned from the employer.

- Employers can sponsor a training component to the Shared-Work plan which permits the employee in the affected unit to enhance occupational skills, if Office of UC Benefits have approved such training.

Learn More about Shared-Work

- For additional information visit www.uc.pa.gov/Shared-work
- You may apply online through the Unemployment Compensation Management System (UCMS) at: www.uctax.pa.gov.
- Contact Office of UC Benefits with any questions by email at SharedWork@pa.gov. Shared-Work staff will be happy to explain program details and assist you with your application.