What is Shared-Work?

- Shared Work is a voluntary program that helps business and their employees during business downturns by providing an alternative to layoffs.
- Shared Work allows the employer to reduce the hours for a specific group of employees rather than laying off one or more employees.
- The program provides a weekly unemployment payment to the employees whose work week have been reduced. It also ensures that these workers will be available for regular hours when the business improves.
- One of the requirements of the Shared-Work program is the employer must state in the plan that participation is in lieu of layoffs that would involve at least 10 percent of the employees in the “affected unit” and would result in an equivalent reduction in work hours.

If I choose Shared-Work, must I use it for my entire business?

- No, an employer may limit a Shared-Work plan to a specific department, shift or other organizational unit. You may have more than one Shared-Work plan.

How many employees are required for a Shared-Work plan?

- The department, shift or unit under a Shared-Work plan must have at least two participating employees without regard to corporate officers.

Are there any employees who are not permitted to participate in Shared Work?

- Yes, employees who have not been employed in the affected unit for at least three months prior to the date the plan is submitted are not eligible. Also, employees who are expected to work 40 or more hours per week, while the plan is in effect, are also excluded.

How many hours of work can be reduced in a Shared-Work plan?

- You must reduce hours by at least 20 percent and by no more than 40 percent.

Must the employees’ hours of work be reduced by the same percentage if they are in the same affected unit?

- Yes. Each affected unit must have the same reduction percentage, but an employer may have multiple Shared-Work plans covering different departments, shifts or units. And there may be different reduction percentages in different plans.

How long can my employees receive Shared-Work benefits?

- Assuming an employee is otherwise eligible for UC, he or she may receive Shared-Work benefits until the Shared Work plan ends or until the employee’s regular UC entitlement ends, whichever
occurs first. The employee may be entitled to regular UC benefits following the conclusion of a Shared-Work plan if he or she doesn’t return to normal work hours.

How long can a Shared-Work plan last?

- A Shared-Work plan can last up to 52 consecutive weeks. However, an employer is limited to a maximum of 104 weeks of shared work in a 156-week period.

Can I terminate a Shared-Work plan?

- Yes. An employer may terminate a Shared-Work plan at any time by providing written notice to the department. The department may also terminate a plan for good cause.

Can I lay off some of the workers participating in a Shared-Work plan and continue the plan with the remaining individuals?

- No. You may not lay off any employees in a Shared-Work plan during the duration of the plan.

Can an employee part-time work for another employer while a Shared-Work plan is in effect?

- Yes. However, after the Shared-Work plan ends, work with another employer could affect the employee’s eligibility for regular UC benefits, going forward.

Must an employee actively seek other work or accept other work while participating in Shared Work?

- No, Shared-Work participants are exempt from the work registration requirement. However, to be eligible for Shared-Work benefits, a participating employee must be available for his or her normal weekly hours of work with the Shared-Work employer.

What happens if an employee receives holiday, sick or vacation pay?

- To the extent that holiday, sick, or vacation pay is received for hours the employee would have worked under the Shared-Work plan, the employee’s eligibility for Shared-Work UC benefits would not be affected. However, if a participating employee works the number of hours determined under the plan and receives holiday, sick or vacation pay for additional hours, his or her UC eligibility will be determined without regard to the Shared-Work provisions of the UC law. This would occur, for example, if an employee works 32 hours Monday through Thursday under a plan that calls for a 20 percent reduction in the regular 40-hour work week, and gets paid for a Friday holiday.

How are employee health and retirement benefits affected by my participation in the Shared-Work program?

- If the employer provides health and retirement benefits under a defined benefit plan or contributions under a defined contribution plan, the employer must continue to provide those benefits to the participating employees under the same terms and conditions as though the hours of work had not been reduced or provided to participating employees to the same extent as other employees not participating in the Shared-Work plan.

If I have union employees in a Shared-Work plan, must the union approve the Shared-Work Plan?

- Yes, if any employee in the “affected unit” is covered by a collective bargaining agreement, a collective bargaining representative must approve the plan in writing before the plan can be approved by the Department.
Can a Shared-Work plan have an “affected unit” of both union and nonunion employees?

- Yes

Can the union modify or terminate an active Shared-Work plan?

- No, the union cannot unilaterally modify or terminate an active Shared-Work plan.

Why would a union member with seniority vote to approve a Shared-Work Plan when his/her job would be secure if layoffs of only 10% occurred?

The Shared-Work Program benefits the business and all the employees because it:

- Eliminates the need to train new employees when full-time work returns
- Maintains a high level of productivity and the skills of those employed
- Sustains the union workforce

How are Shared-Work benefits charged?

- Shared-Work benefits are charged in the same manner as regular UC benefits, that is, to each participating employee’s base year employers.

How do I begin the Shared-Work program?

- The first step is for the employer to complete a Pennsylvania UC Shared-Work plan application. Applications are available here or by writing to the Office of UC Benefits, Attn: Shared-Work, 651 Boas St – Room 610, Harrisburg, PA 17121.

Should my application specify which employees will be participating in the Shared-Work program?

- Yes. The plan must include the name, Social Security number, normal hours worked per week, and the proposed reduction of hours per week for the employees in the “affected unit.”

How will I know if my Shared-Work plan is approved?

- Employers are notified in writing when a plan is approved or disapproved. If approved, the plan will be effective the Sunday after the week the plan is approved.

What other responsibilities do I have after a plan is approved?

Employers are responsible for distributing the initial UC application forms to the employees and mailing them back to the department when completed. In addition, employers are required to submit claims on behalf of the employees on a biweekly basis.

- You may apply for Shared Work online, through the Unemployment Compensation Management System (UCMS), at: www.uctax.pa.gov, or you may print an application from the Shared-Work website at www.uc.pa.gov/sharedWork, and submit it by mail.
- If you have questions about the Shared-Work plan, please contact the Office of UC Benefits by email at SharedWork@pa.gov. The Shared-Work staff will be happy to answer your questions, assist you with your application, or explain the program details to you.
- For additional information on the Shared-Work Program, please visit www.uc.pa.gov/sharedwork

Auxiliary aids and services are available upon request to individuals with disabilities.

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