

Is your business experiencing a slow time?

Let's work together to help you through it.

A temporary decline in business does not mean that your only option is to lay off productive employees. Pennsylvania's Shared-Work Program offers an innovative alternative to layoffs.

Pennsylvania's Shared-Work Program benefits employers *and* employees.

Pennsylvania's Shared-Work Program allows you, the employer, to retain your workforce during a temporary slowdown and then quickly ramp up operations without the expense of recruiting, hiring and training new employees. At the same time, the program enables employees to receive a percentage of their unemployment compensation (UC), if they meet eligibility requirements for UC.

Employer Benefits of a Shared-Work Plan:

- Maintain full staff for future business growth
- Reduce future hiring and retraining costs
- Maintain employee productivity
- Retain experienced employees
- Protect employees from the financial hardship of a full layoff
- Keep employee morale high

How will Shared-Work affect the bottom line of your business?

Participation in the Shared-Work Program may increase the amount of UC contributions due. The goal of the program, however, is to prevent long-term unemployment of your employees.

If you are a contributory employer, the experience-rated portion of your UC contributions may increase based on the Shared-Work benefits that are paid.

Questions?

For more information on Pennsylvania's Shared-Work Program visit: www.uc.pa.gov/SharedWork or contact us at: SharedWork@pa.gov.

How do you apply?

You may apply online through the Unemployment Compensation Management System (UCMS) at: www.uctax.pa.gov, or you may print the application from the Shared-Work website at: www.uc.pa.gov/sharedwork.

An Innovative Alternative to Employee Layoffs



A graphic with a gold background and a dark blue header. The text reads: "RETAIN your employees while your business REGAINS its momentum." The words "RETAIN" and "REGAINS" are in large, white, bold, sans-serif font, while the other words are in a smaller, white, italicized, sans-serif font.



An Innovative Alternative to Employee Layoffs



Find out more at www.uc.pa.gov/SharedWork

Pennsylvania's Shared-Work Program, an Alternative to Layoffs

A Shared-Work plan allows you, the employer, to temporarily reduce the work hours of a group of employees as an alternative to a layoff. Employees covered by the plan receive a percentage of their Unemployment Compensation (UC) Weekly Benefit Amount (WBA) while they work the reduced schedule, if they are otherwise eligible for UC.

How does Pennsylvania's Shared-Work Program work?

Who is included in a Shared-Work plan?

As the employer, you select which employees will be included in a Shared-Work plan. A plan must apply to one "affected unit" which is defined as a department, shift, or other organizational unit. Employers may have more than one plan if there is more than one affected unit. For example, all employees working the night shift may be one unit.

All employees in the affected unit must participate; however, an employee who has been employed in the affected unit for less than three months or an employee who would work 40 or more hours a week under the plan may not participate. There must be at least two participating employees, determined without regard to corporate officers.

How much will the employees' hours be reduced under a Shared-Work plan?

Once you have identified the affected unit(s), you must select the percentage by which the employees' hours are reduced, referred to as the "reduction percentage." The employer determines the reduction percentage based on business needs, but it must be at least 20 percent and cannot exceed 40 percent of the employees'

normal weekly hours. The reduction percentage must be the same for all employees participating in a Shared-Work plan.

For example, if an employee normally works 40 hours per week, and the reduction percentage is 20 percent, then the employee's hours are reduced by 20 percent and he or she would work 80 percent of 40 hours, or 32 hours per week. If an employee in the same unit works 30 hours per week, then he or she would work 80 percent of 30 hours, or 24 hours per week.

How are UC benefits determined under the plan?

For each week in the plan, an employee receives a percentage of his or her WBA equal to the reduction percentage. For example, if the employee's WBA is \$400 and the employee's hours are reduced by 20 percent under the plan, the employee would receive 20 percent of \$400 (or \$80) in Shared-Work UC benefits.

Employer Qualifications and Responsibilities

What qualifications are required for participation?

As an employer, you are eligible to participate in the Shared-Work program if you have filed all UC tax reports and paid all amounts due under PA UC Law, have a positive reserve account balance (for contributory employers) and have paid wages for the last 12 consecutive quarters, according to the department's Office of UC Tax Services.

What are an employer's responsibilities in the Shared-Work program?

To see a complete list of responsibilities, please visit our website at: www.uc.pa.gov/SharedWork.

One of the main responsibilities, however, is that you agree not to hire new employees in, or transfer employees to, the affected unit during the period of the Shared-Work plan. Additionally, you must agree not to lay off participating employees or reduce participating employees' hours of work by more than the reduction percentage during the effective period.

Once approved, employers must gather UC applications and biweekly UC claim forms from participating employees and submit them to the department for processing. If there is a change in the Shared-Work plan, you will need to submit a modified application to the department for review and approval.

Which employers will be charged for the benefits paid?

Shared-Work UC will be charged the same way that regular UC is charged, that is, to each participating employee's base year employer(s).

Shared-Work Procedures

How do you apply for the Shared-Work Program?

As the employer, you must submit an application to the Office of Unemployment Compensation Benefits Policy (OUCBP). The application may be submitted through the Unemployment Compensation Management System (UCMS) at: www.uctax.pa.gov, or an application can be obtained through our website at: www.uc.pa.gov/SharedWork.

Your application will be reviewed within 15 days of receipt. The decision to approve or disapprove a Shared-Work plan is a matter within the department's discretion and is not appealable. If an application is disapproved, you are permitted to submit a new application any time.