

Work-Share Fact Sheet For Employers

Overview:

- This fact sheet provides general information for employers interested in participating in the Work-Share Program. This is not a guarantee of eligibility.
- The Work-Share Program (also called Short-Time Compensation or STC), is designed to help both employers and employees.
- Instead of laying off workers, a qualified employer can plan to reduce work hours for at least two employees.
- Workers whose hours are reduced under an approved Work-Share plan receive unemployment benefits that are pro-rated for the partial work reduction.

Work-Share avoids layoffs, allowing workers to remain employed & employers to retain trained staff during times of reduced business activity.

Who pays for the benefits?

- The employer's Unemployment Insurance account will be charged for the payments to that employee for that week, similar to unemployed workers who receive unemployment benefits.

What is required to create a Work-Share plan?

- The plan must include at least two employees.
- Working hours are not required to be **evenly reduced** among employees in the Work-Share Program.
- The reduction of hours will be a set percentage of at least **10% but not more than 60%** of the normal hours per week of each employee and will remain consistent every week.
- Participating employees must be regularly employed by the employer.
- **Full-time, part-time, salaried and exempt employees can participate.**
- Reduction in hours is calculated against an individual's normal weekly work hours which cannot exceed 40 hours in a week for calculation purposes even if a salaried employee typically works more than 40 hours.
- Seasonal, temporary, or staff employed on an intermittent basis are excluded.
- Only employees that have been employed by the employer for a period of at least three months on the effective date of the Work-Share Program can be participants.
- A plan must be approved by the department prior to the selected participant returning from a full layoff.
- The plan may be extended.

***DWD may cancel the plan if the employer deviates from the plan.**

Note: Employers without a Work-Share plan can still choose to reduce the hours of their Employees. Employees may still be eligible for partial unemployment benefits.

What is a Work-Share plan?

- Before participating in a Work-Share Program, an employer must submit and have a plan approved by the Department of Workforce Development.
- As part of the plan submittal, the employer must designate a minimum of two employees who are to be part of the work share plan and whose hours will be reduced. The participating employees do not need to be in the same work unit or location.
- Work-Share plans can be in effect for any specified duration of time but cannot exceed a total of twelve months in any five-year period.
- The plan should include information on how employees will be given advance notice of changes in their work schedules. If it is not feasible to give advance notice, the plan submitted to the department must include an explanation of why it is not feasible to give the employees advance notice of the changes in their work schedules.
- The program is intended to avoid layoffs. Employers will be required to provide the number of layoffs that would occur without implementation of the plan.

How will employees benefit from the program?

- The employees of participating employers will receive an amount equal to the employee's regular benefit amount multiplied by the employee's proportionate reduction in hours worked for that week as a result of the Work-Share Program.
- If the plan includes **more than 32 hours of work, or more than \$500 in wages**, the employees may still be entitled to Work-Share benefits when they might otherwise be ineligible for unemployment benefits.
- The employer must maintain coverage under any **defined benefit or defined contribution** retirement plan for employees who receive these benefits under the same terms and conditions as if the employees were not included in the program.
- The employer must maintain any **health insurance coverage** in place under the same terms and conditions as if the employees were not included in the program.
- The reduction in hours will help avoid layoffs for some of the workers.
- Employees under an approved plan file an application and weekly certification just as if they were filing for regular unemployment benefits.
- Employees under an approved plan are subject to Wisconsin's waiting week for unemployment benefits. For every new benefit year, no benefits are payable for the first week you would otherwise be eligible for benefits. You will receive notice of which week is serving as your waiting week.
- Employees under an approved plan will not need to register for work or conduct a work search while in the plan. However, employees must be available for work with the employer participating in the Work-Share Program should the employer need extra hours beyond what is anticipated in the Work-Share plan.

Can I use this program to train staff and improve staff skills?

- A plan can include employer-sponsored training to enhance job skills.
- Employees may participate in training funded under the federal Workforce Innovation and Opportunity Act without affecting availability for work, subject to the approval of the department.

How to apply?

- Fill out the Work-Share Plan Application, form UCT-17434-E, and:
 - Send by **mail** to: DWD-Unemployment Insurance
Employer Service Team
P.O. Box 7942
Madison, WI 53707
 - Or **Fax** to: (608) 267-1400
 - Or **Email** to: taxnet@dwd.wisconsin.gov

Note: If sending via email, you should encrypt the Work-Share Application before sending.

To encrypt the Work-Share Application in Microsoft Word, use the "Protect Document – Encrypt with Password" option from the "File" menu. If you're using an Excel file for your participant list, the process is the same, but the button will read "Protect Workbook" instead of "Protect Document".

Once you have emailed us the encrypted document, you can send us the password from a subsequent email, or over the phone to ensure the information remains protected.

More questions?

- For additional questions, contact the DWD-Unemployment Insurance Employer Service Team at taxnet@dwd.wisconsin.gov.