

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

Employers allow their employees to receive Shared-Work benefits to retain their 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, employees covered by a Shared-Work plan receive a percentage of their Unemployment Compensation while they work a reduced schedule, if they are otherwise eligible.

EMPLOYER BENEFITS OF SHARED-WORK:

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



HOW DOES THE PROGRAM WORK?

- Identify employees whose work can be reduced by the same percentage range of 20-40 percent
- File Shared-Work claims for partial unemployment for those employees
- Your experienced workforce stays with your company and collects benefits
- Participation in Shared-Work may increase the amount of UC tax contributions due in the future



For more information visit
www.uc.pa.gov/sharedwork



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SHARED-WORK PROGRAM

An Innovative Alternative
to Employee Layoffs

Retain your employees while your
business regains its momentum



PENNSYLVANIA SHARED-WORK

A Shared-Work plan allows an employer to temporarily reduce the work hours of a group of employees and divide the available hours equally rather than laying off any employees. Employees covered by a Shared-Work 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.

In addition, several week-to-week eligibility requirements are waived or modified so employees can work without unnecessary restrictions.

WHO IS INCLUDED IN A SHARED-WORK PLAN?

A Shared-Work plan must apply to one affected unit, or a department, shift, or other organizational unit defined by the employer. An employer may have more than one plan. There must be at least two participating employees, determined without regard to corporate officers.

Generally, all employees in the affected unit are required to participate in an approved plan. The only exceptions are for employees employed for less than three months or employees who work 40 hours or more a week.

The percentage by which each worker's hours are reduced is called 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. The reduction percentage must be the same for all employees participating in a plan.

WHAT QUALIFICATIONS ARE REQUIRED FOR PARTICIPATION?

- You have filed all UC tax reports and paid all amounts due under PA UC Law
- You have a positive reserve account balance (for contributory employers)
- You have paid wages for the last 12 consecutive quarters

EMPLOYER'S RESPONSIBILITIES

One of the main responsibilities is that you agree not to hire new employees in, or transfer employees to, the affected unit during the period of the 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 application forms and biweekly claim forms from participating employees and send them to the department for processing. If there is a change in the plan, you can send a modified plan to the department for review and approval.

TERMINATING A PLAN

- The plan will automatically end upon the expiration date outlined in the plan
- You may terminate an approved Shared-Work plan prior to the expiration date
- The department may terminate an approved plan at any time for good cause

HOW WILL SHARED-WORK AFFECT YOUR BOTTOM LINE?

If you are a contributory employer, the experience-rated portion of your UC contributions may increase based on the benefits that are paid. If you are a reimbursable employer, you will be responsible for the portion of the UC benefits which are attributable to the employees' service with your company.

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).

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.

"As a small company that sells winter heating oil, the Shared-Work program allows us to share the work between employees during the slower, warmer months. The company benefits because it is simple to sign-up for, we save on wages and training costs, and it helps us keep our well-trained employees year after year.

Our employees benefit by maintaining their jobs, pay, and benefits, and enjoy some additional time off during the summer. We are thankful this program, which we've participated in since 2016, has allowed us to avoid annual employee layoffs."

Amy Purcell, President
Robert E Reedy & Sons Inc.