



Avoiding Layoffs: Can Unemployment's *Shared Work Program* be a Solution for your Business?

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TODAY'S GOALS

- Understand the Core Components of the Shared Work Program
- Identify Key Benefits for Employers
- Understand Employee Impact
- Implement the Program Effectively



Caring is Sharing

- **Highly skilled workers**
- **Challenges with recruitment & retention**
- **The personal side**



Who has implemented a
Shared Work Program?

Understanding the Shared Work Program

- Voluntary partial unemployment program through the PA Department of Labor & Industry – this is an alternative to layoffs
- Workers “share” a reduction of hours vs. fully laying off employees
- Reduce weekly hours by 20% (8 hours) to 40% (16 hours) when work slows down

Understanding the Shared Work Program

- When business picks up, employers can restore employees to full-time hours quickly
- Helps businesses & their employees during business downturns
- Provides flexibility when business slows down AND for when business increases

Understanding the Shared Work Program

- Employees maintain a higher income on this program versus through traditional UC benefits
- Employees maintain positions and benefits
- Can last up to 52 weeks (limit of 104 weeks per employer in a 156-week period)

REVIEW



- What is the minimum number of hours an employer can reduce in a week?
- What is the maximum amount of hours an employer can reduce in a week?
- How many weeks can a Shared-Work plan last?

KEY BENEFITS FOR THE EMPLOYER

- Keeps full staff for future growth
- Saves money on hiring and training new workers later
- Helps workers stay productive
- Retain experienced workers
- Protect your employees' financial well-being
- Lessens money worries for workers
- Keeps employee morale high



KEY BENEFITS - EMPLOYER

- Employer divides the available work hours equally among the employee unit
- Employee receives partial UC benefits while on the Shared Work Program
 - Business still SAVES MONEY

TRADITIONAL

Lay off 8 people =
320 hrs/wk

\$1,000 pp/wk

Save = \$8,000 wk,
lose 8 people

TEAM PLASTICS

40 EMPLOYEES

\$25/HR

SHARED WORK

40 people reduce by
8 hours (\$200)/wk

Save: 40 people &
\$200 pp = \$8,000

Go From This...



To This!



Employer Requirements

- Filed all quarterly UC tax reports (and other reports) required under the PA UC Law
- Paid all contributions, reimbursements, interest, and penalties due through the date of the employer's application
- If contributory, the employer's reserve account balance must be a positive number
- Paid wages for the 12 completed, consecutive calendar quarters preceding the date of application
- Continue to provide health and retirement benefits under the same terms and conditions to participating employees

Employer Requirements

Once approved, employers must agree not to:

- Hire new employees in - or transfer employees to - the affected unit

OR

- Lay off participating employees or reduce their hours of work by more than the reduction percentage

EMPLOYER – Need to Know

- Union employees can participate; however, union has to agree
- Employer charged for UC benefits paid out

Who Cannot Participate?

- New employees cannot participate (<3months)
- Corporate officers cannot be part of a group



REVIEW



- How can the Shared Work Program help retain employees?
- How can this program save money for your business?

EMPLOYEE ADVANTAGES

- Receive more UC benefits during the weeks of reduced hours
- Employee retains benefits including health and retirement benefits
- Employee registers for UC benefits - the employer manages the program and submits weekly earnings
- Employee does not have to seek other employment

EMPLOYEE INFORMATION

- Employee can work part-time for another employer while on this program
 - Employee is not required to report additional earnings while on a Shared-Work Program
- As with other unemployment claims, there is an unpaid waiting week for partial benefits
- There is additional compensation for Shared-Work versus standard UC benefits



Shared-Work Program

EMPLOYEE BENEFITS



MAINTAIN INCOME >> **MAINTAIN SKILLS** >> **RETAIN BENEFITS** >> **SHARE-WORK** >>

With PA's Shared-Work Program, employees maintain a higher income than with UC benefits alone.

Shared-Work allows an employee to maintain their employment skills and continue building job tenure.

Pennsylvania's Shared-Work Program allows employees to keep their job, health insurance, and supplemental benefits.

Is PA's Shared-Work program right for your organization?

Regular UC versus Shared-Work Comparison

REGULAR UC BENEFITS COMPARISON - 20%						
Regular Rate Per Hour	Regular Weekly Pay (40 hours)	Regular Weekly Pay Reduced (32 hours)	UC Weekly Benefit (~60% of weekly pay)	Regular Weekly UC Benefit (20% - 8 hours reduced)	Weekly pay with regular UC Benefits	Pay difference per week
\$16.25	\$650	\$520	\$390	\$0	\$520	(\$130)
\$18	\$720	\$576	\$432	\$0	\$576	(\$144)
SHARED-WORK PROGRAM BENEFITS COMPARISON - 20%						
Regular Rate Per Hour	Regular Weekly Pay (40 hours)	Regular Weekly Pay Reduced (32 hours)	UC Weekly Benefit (~60% of weekly pay)	Shared-Work Benefit Payment (20% - 8 hours reduced)	Weekly pay with Shared Work UC Benefits	Pay difference per week
\$16.25	\$650	\$520	\$390	\$65	\$585	(\$65)
\$18	\$720	\$576	\$432	\$72	\$648	(\$72)

**These are examples calculated from a UC Shared-Work Site calculator – actual amounts may vary.*

Regular UC versus Shared-Work Comparison

REGULAR UC BENEFITS COMPARISON - 40%						
Regular Rate Per Hour	Regular Weekly Pay (40 hours)	Regular Weekly Pay Reduced (24 hour workweek)	UC Weekly Benefit (~60% of weekly pay)	Regular Weekly UC Benefit (40% - 16 hours reduced)	Weekly pay with regular UC Benefits	Pay difference per week
\$16.25	\$650	\$390	\$390	\$32.50	\$423	(\$228)
\$18	\$720	\$432	\$432	\$36	\$468	(\$252)
SHARED-WORK PROGRAM BENEFITS COMPARISON - 40%						
Regular Rate Per Hour	Regular Weekly Pay (40 hours)	Regular Weekly Pay Reduced (24 hour workweek)	UC Weekly Benefit (~60% of weekly pay)	Shared-Work Benefit Payment (40% - 16 hours reduced)	Weekly pay with Shared Work UC Benefits	Pay difference per week
\$16.25	\$650	\$390	\$390	\$130	\$520	(\$130)
\$18	\$720	\$432	\$432	\$144	\$576	(\$144)

**These are examples calculated from a UC Shared-Work Site calculator – actual amounts may vary.*

REVIEW



- What benefit(s) does an employee receive while on the Shared Work Program? (choose all that apply)
 - a. The employee makes more money on the program vs. traditional UC
 - b. The employee can work a 2nd job without impacting their UC benefits
 - c. The employee retains their health and retirement benefits
 - d. All of the above
- Who is responsible for submitting weekly earnings?

IMPLEMENTATION

1. Determine if your company qualifies
2. Identify “work units” (uniform reduction of hours, and a min. of 2 employees)
3. Determine the reduction % for each unit (20-40%)
4. Approval by any collective bargaining representative
5. Choose a date to start plan (must be a Sunday)
6. Select an estimated date for the work reduction to end (must be a Saturday)

IMPLEMENTATION

1. Prepare a list of all employees in each affected work unit
 - a. Excel
 - b. Employee name
 - c. Social security number
 - d. Normal work hours
 - e. Work hours under the reduction %

IMPLEMENTATION - Application

1. Apply online at www.benefits.uc.pa.gov, and **Sign In**

Pennsylvania
Unemployment Compensation System

[Sign In/Register](#)
[Forgot Username/Password?](#)
[En Español](#)

Employers

The UC system provides employers a helpful online tool to manage UC benefit requests and account information.

Self-Services available include:

- Respond to Requests, Fact-finding inquiries, and Trade Readjustment Allowances.
- View Determinations
- File Benefit Appeals
- Review & Manage Charges
- SIDES E-Responses Portal
- **Shared-Work Plan Management**
- Mass Layoffs Reporting
- Third Party Administrators
- Designate POA to a Third Party Administrator

Third Party Admini

The UC System also offers TPA's the opportunity to manage requests and account information on behalf of employers. Available services will vary depending on the TPA/Employer.

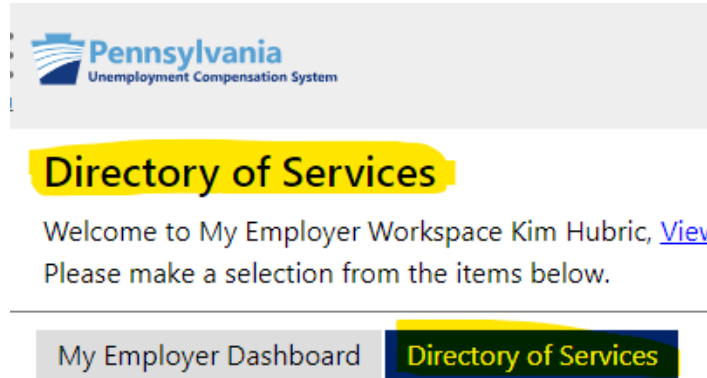
- Respond to Requests, Fact-finding inquiries, and Trade Readjustment Allowances.
- View Determinations
- File Benefit Appeals
- Review & Manage Charges
- SIDES E-Responses Portal

Unemployment Compensation (UC) system. Apply online, anywhere.

Information

IMPLEMENTATION - Application

1. Click on *Directory of Services*



The screenshot shows the header of the Pennsylvania Unemployment Compensation System website. The logo for the system is at the top left. Below the logo, the text 'Directory of Services' is highlighted in yellow. Below this, a welcome message reads: 'Welcome to My Employer Workspace Kim Hubric, [View](#). Please make a selection from the items below.' Below the welcome message, there are two menu items: 'My Employer Dashboard' and 'Directory of Services', with the latter being highlighted in yellow.

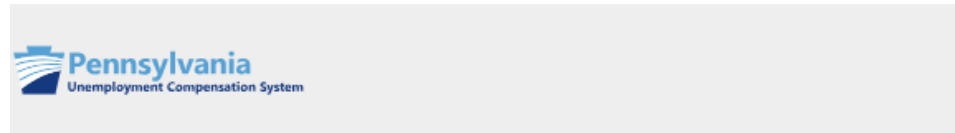
2. Click on *Services for Employers*



The screenshot shows the 'Services for Employers' section of the website. The section title is 'Services for Employers' in a dark blue header. Below the header, there is an icon of a hand holding a magnifying glass over a document. Below the icon, the text reads: 'Unemployment Services' followed by 'Information about how to manage claims against your company, employer charges, appeals and...'

IMPLEMENTATION - Application

3. Scroll and Click on *Shared Work UI Compensation*

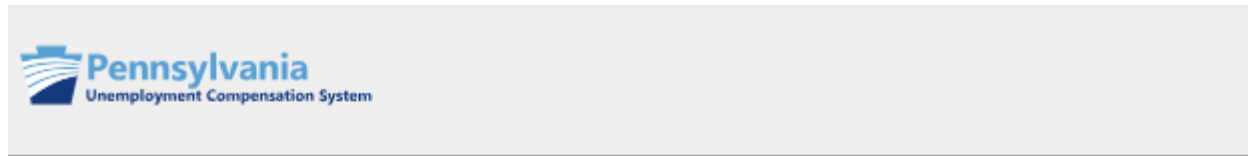


Shared Work UI Compensation

Provides employers with an alternative to layoffs by allowing them to make work reductions to a...

IMPLEMENTATION - Application

4. Scroll and Click on *Create Shared-Work Application*



Pin

Shared-Work Application

Please provide the information below to fill out your Shared-Work application.

* Indicates required fields.

Shared-Work Contact Information

Please enter the name, mailing address, telephone and fax numbers of your company's c

IMPLEMENTATION

- Each unit has their own plan – for example:
 - Line A could be reduced to 20% based on demand (8 hours)
 - Quality department could be reduced by 30% based on demand (12 hours)
 - Line B could stay on regular 40 hr week
- Employer can flex people into different areas, but the employee must continue to work the same number of hours as their “home” area/unit
- Short-term: the plan allows an employer to “flex” hours up or down based on weekly needs in the impacted areas

Shared-Work Implementation Timeline

1. Fulfill the program qualifications
2. Apply to participate in the Shared Work Program
3. Once approved, prepare a communication plan
4. Communicate the plan – notification letters must be given to employees
5. Once approved, employees fill out UC application: Typically Sunday-Thursday before plan starts
6. Employees on Shared-Work plan begin to work modified schedule
7. Employer certifies time each week
8. Employee receives partial unemployment benefits

REVIEW



- Where do you apply to participate in the Shared Work Program?

What Shared Work Program Customers Say

“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.

RESOURCES

RA-LI-UC-SharedWork@pa.gov

<https://www.pa.gov/en/agencies/dli/programs-services/unemployment/shared-work.html>

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