PENNSYLVANIA'S SHARED-WORK FAQs

Q. What is Shared-Work?

A. Shared-Work is an alternative to layoffs that may be used when the work available to employees decreases. Instead of the employer laying off some employees, all employees share the available work by working reduced hours and collecting a portion of their unemployment compensation, or UC, benefits. To receive approval for a Shared-Work Plan, an employer must certify that the plan 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.

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

A. No. A Shared-Work plan can apply to a department, shift or other organizational unit. You may have more than one Shared-Work plan.

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

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

Q. Are there any requirements for employee participation?

A. Yes. Employees must have been employed in the department, shift or unit for at least three months immediately preceding the date the plan is submitted to the department for approval. Employees that will work 40 or more hours per week while the plan is in effect are also excluded.

Q. If I have union employees, must the union approve Shared Work?

A. Yes. If your employees are covered by a collective bargaining agreement, a signed consent form from the collective bargaining representative must accompany the application for approval of a Shared-Work plan.

Q. How are hours of work reduced in a Shared-Work plan?

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

Q. Must hours of work be reduced equally for all employees?

A. All employees participating in the same Shared-Work plan must be treated equally, with the same <u>percentage</u> of hours reduced. However, there may be multiple Shared-Work plans for an employer covering different departments, shifts or units. For example, one

Shared-Work plan may reduce the employees' hours by 25 percent and another plan may reduce hours by 40 percent.

Q. How long can my employees receive Shared-Work benefits?

A. Assuming an employee is otherwise eligible for UC, he or she may receive Shared-Work benefits until their regular unemployment compensation entitlement ends or until the Shared-Work plan 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.

Q. Can I terminate the Shared-Work plan?

A. Yes. An employer may terminate a Shared-Work plan by providing written notice to the department.

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

A. No. You may not lay off any workers during the duration of the plan.

Q. Can an employee work for another employer during the time his or her hours are reduced?

A. Yes. However, this could affect the employee's UC eligibility for benefits.

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

A. No. However, to be eligible for Shared-Work, a participating employee must be available for his or her normal weekly hours of work with the Shared-Work employer.

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

A. To the extent that holiday, sick, or vacation pay is received for hours the employee would have worked under the Shared-Work plan, that would not affect eligibility for Shared-Work UC benefits. However, if a participating employee works the number of hours determined under the plan <u>and</u> 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 Monday through Thursday under a plan that calls for a 20 percent reduction in work hours, and gets paid for a Friday holiday.

Q. How are Shared-Work benefits charged?

A. All UC benefits for participating employees for weeks during the effective period of the Shared-Work plan are charged to the Shared-Work employer.

Q. How do I begin the Shared-Work program?

A. The first step is to complete a Pennsylvania UC Shared-Work Plan Application. Applications are available from the L&I website www.uc.pa.gov, or by writing to the Office of UC Benefits, Attn: Shared-Work, 651 Boas St – Room 605, Harrisburg, PA 17121.

Q. Will my application specify which employees will be participating in the Shared-Work program?

A. Yes. The plan must include the name, Social Security Number, normal hours worked per week, and the proposed reduction of hours per week for each employee.

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

A. You will be notified in writing when the plan is approved or disapproved. The plan will be effective the Sunday after the week the plan is approved.

Q. How long can a Shared-Work plan last?

A. A Shared-Work plan can last up to 52 consecutive weeks. However, an employer may only use the Shared-Work program a maximum of 104 weeks out of a 156-week period.

Q. What other responsibilities do I have after the plan is approved?

A. You will be responsible for distributing the initial UC application forms to your employees and, once completed, mailing them to the department. In addition, you will be required to submit claims on behalf of your employees on a biweekly basis.

Q. Where can I direct questions about Shared-Work?

A. Please contact the Office of UC Benefits Shared-Work program, at 877-785-1531 and select the appropriate employer prompt.

Q. Where can my employees direct questions about Shared-Work?

A. They may contact the Office of UC Benefits Shared-Work program, at 877-785-1531 and select the appropriate claimant prompt.