

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 following Work-Share rules apply to plans through December 31, 2020.
- The Work-Share Program (also called Short-Term 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?

- Under the CARES Act, once your plan is approved, the federal government will pay for 100% of the unemployment benefits paid through the Work-Share plan.
- Employer's future tax rates will not be impacted by Work-Share benefits paid to employees in the program during the effective duration of the CARES Act.

What is required to create a Work-Share plan?

- Must include a minimum of at least 2 Wisconsin employees.
- 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.
****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 employees who are participating in the plan.
- A plan can be in effect for a total of six months in any five-year period. An employer can have multiple plans.

» What is a Work-Share plan? (Cont'd)

- The plan should include information on how employees will be notified of changes in their work schedules. If it is not possible to give notice, the plan submitted to the department must include an explanation of why it is not possible to give the employee's notice of the changes in their work schedules.
- The program is intended to avoid layoffs. Employers will be asked to estimate 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 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.
- Work-Share plan employees who are eligible for benefits in a week are also eligible for the additional \$600 per week under the Federal Pandemic Unemployment Compensation program from week ending 4/4/2020 through 7/25/2020.

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

- A plan can include employer-sponsored training to enhance job skills.
- The employees in a work unit 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.