

WE ARE YOUR DOL



# SHARED WORK PROGRAM

Your Layoff Alternative

## HOW CAN SHARED WORK HELP MY BUSINESS?

The Shared Work Program gives you an alternative to laying off workers during business downturns by allowing them to work a reduced work schedule and collect partial Unemployment Insurance benefits for up to 26 weeks. Instead of cutting staff, you can reduce the number of hours of all employees or just a certain group.

*For example: Plant XYZ files a Shared Work Plan with the State Labor Department and receives approval to reduce the hours of its sewing department by 20% for ten weeks. These employees can file for Unemployment Insurance. They can collect 20% of their weekly benefit after serving an unpaid waiting period of one week.*

*An employee who earns \$400 per week might receive \$200 in Unemployment Insurance benefits if totally unemployed. Under the Shared Work Program, he would receive \$320 per week in wages from his employer (20% of \$400 is an \$80 reduction), plus \$40 in Shared Work benefits (20% of the \$200 Unemployment Insurance benefit). This totals \$360 in wages and Shared Work benefits for each week of the plan after an unpaid waiting week.*

The Shared Work Program helps you keep trained, productive employees on the job during temporary business downturns. This means you can gear up quickly when business conditions improve. You save the expenses of recruiting, hiring and training new employees. And, you spare your employees the hardships of full unemployment. Shared Work tells employees you value them as team members. When you avoid layoffs, you tell your employees that you appreciate their work and want to keep them on, despite tough times.

## WHAT DOES A SHARED WORK PLAN REQUIRE?

Your Shared Work Plan must:

- Apply to employees who normally work no more than 40 hours per week
- Reduce work hours and corresponding wages between 20% and 60%
- Replace the layoff of an equal percentage of your workforce
- Not reduce or eliminate fringe benefits, unless they are reduced or eliminated for the entire workforce
- Not extend beyond 53 weeks
- Cover all employees in an affected unit and reduce their hours by the same percentage. You may reduce different units by different percentages

You cannot hire additional employees for the work group covered by the plan while the plan is in effect. If there is a collective bargaining agreement in effect, the collective bargaining unit must agree to take part in the Shared Work Program.

## EMPLOYEE BENEFITS AND ELIGIBILITY

Employees may participate in Shared Work if they are eligible to receive regular Unemployment Insurance benefits in New York State. They must serve a waiting week before receiving Shared Work benefit payments, unless they served a waiting period on an existing claim. The Shared Work weekly amount is the person's weekly benefit rate multiplied by the percentage their hours and wages are reduced under the Shared Work Plan. Workers participating in Shared Work:

- May receive a maximum of 26 weeks of Shared Work benefits during a benefit year

- May not receive more in a benefit year from Shared Work benefits combined with regular Unemployment Insurance benefits than they would receive under the regular Unemployment Insurance program alone (26 times the regular benefit rate)
- Must be fully available to work for the Shared Work employer, but are not required to look for other work
- Are not eligible for Shared Work benefits in any week in which they receive Supplemental Unemployment Compensation benefits (SUB pay)
- Will have their Shared Work benefits reduced if they work for a different employer or work at self-employment

## HOW DO I APPLY?

You must employ at least two full-time employees working in New York State, and for four consecutive calendar quarters, you or your predecessor must have:

- Paid Unemployment Insurance contributions
- In lieu of contributions, elected to reimburse benefits paid to your former employees

Applications for Shared Work should be submitted three to four weeks before the date you want to start the plan. To file an application, go to our website at [www.labor.ny.gov](http://www.labor.ny.gov). Click on “Businesses,” then under “Unemployment Insurance” select “UI Online Services.” Sign in with your NY.Gov ID, or follow the directions to create a NY.Gov ID. After signing in, select “View My UI Information” on the “Perform Work for my Company” page. Click on the “Shared Work” button on the bottom left.

## FREQUENTLY ASKED QUESTIONS ABOUT SHARED WORK

### WHEN WILL MY SHARED WORK PLAN BEGIN?

On the date specified on your application form or the first Monday following our approval of the plan, whichever date is later. Submit your application less than one month before the proposed start date but at least three weeks before the desired plan starting date. A Shared Work Plan cannot be retroactive.

### ONCE A SHARED WORK PLAN HAS BEEN APPROVED, CAN I CHANGE IT?

Yes. You may change the percentage that your employees’ hours are reduced. You may also return workers to a full schedule for a week or more and then resume the plan. You may remove people from the affected work unit or hire replacement workers. However, if you want to add additional work units to your plan, you must submit a modified application for approval.

### CAN I LAY OFF SOME WORKERS WHO WERE ORIGINALLY IN THE PLAN AND STILL KEEP THE REMAINDER IN THE PLAN?

Yes. Shared Work would still prevent the layoff of those who remain, which is the program’s intent. As an alternative, you could increase the percentage that you reduce the employees’ hours and wages to avoid any layoffs.

### ONCE THE SHARED WORK PLAN IS IN EFFECT, CAN I HIRE A REPLACEMENT FOR AN EMPLOYEE WHO LEAVES TO WORK FOR ANOTHER EMPLOYER?

Yes. The law only prohibits you from hiring additional employees to work in an affected unit. You can hire replacements for employees who leave while the plan is in effect.

### IF I CHOOSE SHARED WORK, MUST I USE IT FOR THE ENTIRE BUSINESS OR COMPANY?

No. You can use Shared Work in one or more departments, shifts or units. The plan lets you choose the areas involved. You must apply reductions in hours and wages equally to all of the employees in a participating unit or department. You may reduce the hours and wages of employees of different departments or units by different percentages, if you specify that in the plan.

### CAN A SHARED WORK PLAN INCLUDE A UNIT CONSISTING OF ONE EMPLOYEE?

No. An affected unit must have at least two employees in the plan.

### CAN EMPLOYEES WHO NORMALLY WORK OVERTIME RECEIVE SHARED WORK BENEFITS IF THEIR OVERTIME HOURS ARE REDUCED?

No. Shared Work benefits are only for wages lost because of a reduction in the employee’s “normal work” hours. “Normal work” hours are usually no more than 40 hours per week.

### WHAT EFFECT DO SHARED WORK BENEFITS HAVE ON MY UNEMPLOYMENT INSURANCE RATE?

Shared Work benefits are charged against your experience rating account. This means that benefits paid under a Shared Work plan will be charged to your Unemployment Insurance account. This may have an effect on your Unemployment Insurance contribution rate depending on your specific situation. If you have questions about the impact of Shared Work on your Unemployment Insurance rate, call our Liability and Determination Section at **518-457-2635**.

### CAN I SPECIFY WHICH EMPLOYEES TO INCLUDE IN THE SHARED WORK PROGRAM?

Yes. Your plan must include the names and Social Security numbers of all participating employees, their normal weekly work hours and whether or not they are seasonal, temporary or intermittent employees.

### **AM I REQUIRED TO FILE REPORTS WHILE THE SHARED WORK PLAN IS IN EFFECT?**

Yes. You and your participating employees must certify each week. This makes sure that each employee is paid the proper Shared Work benefit amount.

### **CAN EMPLOYEES RECEIVE SHARED WORK BENEFITS IF THEIR HOURS AND WAGES ARE REDUCED LESS THAN 20% OR MORE THAN 60%?**

No. However, these employees may be eligible to receive benefits under the regular Unemployment Insurance program if their hours and wages are reduced more than 60%.

### **IF MY SHARED WORK PLAN EXPIRES BUT THE EMPLOYEES ARE STILL WORKING ON A REDUCED WORK SCHEDULE, CAN THE EMPLOYEES CONTINUE TO RECEIVE SHARED WORK BENEFITS?**

No. Shared Work benefits are paid only while your plan is in effect. To prevent interruption of benefit payments, you should re-apply for Shared Work before your current plan's expiration date.

### **WHO CAN I CONTACT IF I HAVE QUESTIONS ABOUT SHARED WORK OR QUESTIONS ABOUT THE APPLICATION PROCESS?**

Our Liability & Determination Section can answer questions about Shared Work, help you fill out the application, or send you a paper application if needed. Call **518-457-2635** or write to:

New York State Department of Labor  
Unemployment Insurance Division,  
Liability and Determination Section  
State Office Campus  
Albany, NY 12240

The Shared Work Program is flexible. You can customize it to cover many work situations. It saves money and it saves jobs. Consider Shared Work before you consider layoffs!