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What is Shared Work?

Shared Work is a voluntary program that helps employers during business downturns by providing an **alternative to layoffs**. Shared Work preserves jobs and the skilled workforce during a disruption in regular business. Employers are able to reduce work hours for an entire group of affected employees rather than laying off some while others continue to work full time. The program provides a weekly unemployment compensation payment to the employees whose work weeks have been reduced. It also ensures that these workers will be available for regular hours when business upturns. If business downturns are forcing you to look at reducing your workforce by 10 – 60%, Shared Work program can help. Instead of laying off your permanent part or full-time employees, you cut hours, and we pay partial unemployment benefits for the hours your employees have lost.

How does Shared Work ...work?

Say an employee's hours are temporarily reduced by 50%; in addition to a partial paycheck, the employee will get 50% of his/her regular weekly unemployment benefit. Shared Work has less impact on your unemployment taxes than a full layoff AND as an added benefit; you're able to retain your skilled workforce. Your valued employees keep their jobs and benefits while collecting unemployment benefits to supplement wages. Please see the example on the following page:

John works 40-hours per week and earns \$20 an hour in regular pay. Under the Shared Work program, John's hours are reduced by 20 hours per week, from 40 to 20 hours or a 50% reduction.

100% Layoff Unemployment Compensation	50% Work Reduction Shared Work Compensation
$\$20 \times 40 \text{ hours per week} = \800	20 hours regular pay \$400 + Weekly Shared Work payment \$200
Total weekly UC payment \$400	<hr/> Total weekly income: \$600

A difference of \$200 a week with the SW program from a full layoff!

What are the requirements for Shared Work?

Shared Work participation must be in lieu of layoffs. An employee's hours and wages cannot be reduced by less than 10 percent or more than 60 percent. The program can be applied to part or full-time permanent employees, but cannot be used to subsidize seasonal workers during the off-season. Employers must have at least two permanent employees participating and cannot eliminate or reduce the worker's fringe benefits. All employees must be able to work and available for additional hours of work with the participating employer.

Who may apply for Shared Work?

All Connecticut employers whose taxes or reimbursement payments are currently up to date are eligible to apply for Shared Work.

Who does the plan cover?

The plan can cover the employer's total workforce of permanent part or full-time employee's, a particular shift, or a specific unit. The plan only applies to employees who normally work for the employer submitting the Shared Work plan.

Can all of my employees be involved with the Shared Work program?

Yes. Shared Work can include both full and part-time permanent employees.

Connecticut Department of Labor • Shared Work Program

Call **860.263.6660** • Fax **860.263.6681** • Visit **SharedWorkCT.com** • Email **DOL.SharedWork@ct.gov**

Is there a limit to the size of the employer's workforce?

There is no limit as to the size of the employer; however, the affected unit must have at least two employees in order to participate.

Can an employer apply for Shared Work if the employees are represented by a collective bargaining agent or union?

Yes, only if the Shared Work plan is approved, in writing, by the participating employee's collective bargaining representative. In the absence of any bargaining representative, the plan must contain a certification by the employer that such employer has made the proposed plan, or a summary thereof, available to each employee in the affected group for inspection and comment for at least seven days. Copies of the memorandum to the employees and any comments received must be attached.

I have completed my company's application for Shared Work, how do I submit it?

The best and quickest method is to email it to DOL.SharedWork@ct.gov or fax it to **860.263.6681**. If you opt to submit your application via U.S. Postal Service (or another carrier), please send the completed application to:

Connecticut Department of Labor
Attn: Shared Work Unit
200 Folly Brook Boulevard
Wethersfield, CT 06109

My company submitted an application; when will we be notified if the application is approved?

The Connecticut Labor Department will approve or deny an application, in writing, no later than **30 days** once the application is received by the agency.

When does the plan begin?

The plan must meet the requirements of the law and be approved in writing by the Department of Labor before it can take effect. All plans must be effective on a Sunday and will expire six months later of the respective Saturday. While the Shared Work plan is good for six months, all approved employers can apply for an extension upon expiration. All plans are only good for one year inclusive of the extension.

****Please note, due to COVID-19, the Department of Labor is currently allowing up to three extensions per plan****

Why would my company be rejected from using the Shared Work program?

The Department of Labor, as administrator of the program, may reject a Shared Work application or deny an application for good cause. Good cause includes, but is not limited to, failure to comply with the assurances given in the plan, unpaid Department of Labor taxes, unreasonable revision of productivity standards for the affected unit, conduct or occurrences tending to defeat the intent and effective operation of the plan, and violation of any criteria on which approval of the plan is based.

Can an employer appeal the administrator's decision?

The reasons for rejection or revocation are final; however, the employer may submit another application/plan for consideration, and that determination would be made based upon the new data submitted.

What is an individual's weekly Shared Work benefit amount?

An individual's weekly Shared Work benefit amount will be based off of their regular weekly benefit amount, including any dependency allowances (up to five dependents) multiplied by the percentage reduction provided by the participating employer.

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To calculate a Weekly Benefit Rate:

3rd Qtr 2019	4th Qtr 2019	1st Qtr 2020	2nd Qtr 2020	3rd Qtr 2020	New Claim Initiated in Oct - Dec 2020
Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	

↑ Base Period- Jul 2019- Jun 2020 ↑

1. Determine the two highest quarters in the base period.*
2. Add them together
3. Divide the sum by two to get the average
4. Divide the average by 26
5. Drop the cents (round to the next lower dollar) to get the Weekly Benefit Rate, which cannot exceed the maximum rate that is currently \$667.

* The Base Period is the **first four** of the *last five* completed calendar quarters prior to the quarter in which the claim is initiated. If there is only one-quarter of wages, those wages will be averaged with the second highest quarter, which will be **ZERO**.

What if an employee works more than their scheduled reduction of hours?

No Shared Work benefit will be paid to an individual for any week in which the individual performs work for the participating employer more than the reduced hours established under the Shared Work plan unless there is a corresponding modification to the plan.

Employers should only submit a weekly certification during weeks there are reductions in hours and only for employees that have reduced hours. For example, if there is not a reduction in hours, you do not need to submit the weekly certification or include the employee(s) who had no reduction in hours for that week.

As a reminder, an employee’s hours and wages cannot be reduced by less than 10% or more than 60%.

If one of my Employee’s works for another Company will that affect their Shared Work benefits?

No. An employee who is eligible for Shared Work benefits shall be exempt from the work search requirements. Wages from another company will not affect the calculation of the Shared Work payment.

What should I do if I submitted incorrect weekly certifications for a certain week?

A Weekly Certification Report can be amended or corrected if an employer previously submitted a report with errors or if a new employee has been added to the employer Shared Work plan and needs retroactive back payments processed.

If you need to make a correction or amendment to a Weekly Certification Report that you have already submitted, please use the "Amended/Corrected Certification Report" (form UC-307). Once completed, you can submit the form by email to DOL.SharedWork@ct.gov or by fax to (860) 263-6681.

I have an employee I would like to add to an existing Shared Work Plan, should I write them into my weekly certification?

No. Please be aware to add employees to your plan you would want to complete a "Request to Add New Employee" and a new UC-62 form for the employee. You cannot add employees to your plan by writing them in on the weekly certification as those payments will not be entered.

Once you have completed the forms, please send the request by fax to 860-263-6681 or by email to dol.sharedwork@ct.gov for review and processing. Once reviewed if approvable we will send you an approval letter along with an updated weekly certification report. Please be aware if there are any back weeks owed to the

employee(s) that you are adding you will want to include an "Amended/Corrected Certification Report" (form UC-307) for each week a payment is owed for us to process.

How long can an employee receive Shared Work benefits?

The employee can potentially receive a maximum of 52 weeks of Shared Work benefit during a single benefit year.

How does Shared Work differ from regular unemployment?

Shared Work is an employer program within unemployment insurance for employees working reduced hours and is optional for employees to participate. Both Shared Work and standard unemployment calculate the same Weekly Benefit Rate, but Shared Work calculates a straight percentage off the Weekly Benefit Rate based on the percentage reduction, while standard partial unemployment deducts 2/3 of your gross earnings for the week claimed from the Weekly Benefit Rate. Please see example below:

John works 40-hours per week and earns \$20 an hour in regular pay. Under the Shared Work program, John's hours are reduced by 20 hours per week, from 40 to 20 hours or a 50% reduction.

100% Layoff Unemployment Compensation	50% Work Reduction Regular Partial Unemployment Compensation	50% Work Reduction Shared Work Compensation
\$20 x 40 hours per week = \$800	20 hours regular pay \$400 + Weekly Reg Partial Unemployment \$133	20 hours regular pay \$400 + Weekly Shared Work payment \$200
Total weekly UC payment \$400	Total weekly income: \$533	Total weekly income: \$600

A difference of \$200 a week with the SW program from a full layoff and a difference of \$67 from regular partial unemployment!

The employees can file a claim for regular Unemployment online at www.FILECTUI.com, by clicking the **blue button** to file or reopen a claim, and submit a claim for regular unemployment. Then they will receive an email advising them of their next steps. We do not process any payments for regular unemployment here in the Shared Work Unit.

What if an employee applied for regular unemployment?

Employees cannot receive regular unemployment and Shared Work for the same week. Please advise your staff not to file for regular unemployment online if they are to be paid through Shared Work. The weekly certifications you send us is what triggers their Shared Work payments. If they already filed online for regular unemployment, we will pay them on Shared Work going forward but cannot change the payment that was already processed.

What happens if an employee use's their Personal, Vacation, or Sick time?

Employees are able to take personal, vacation, or sick leave while on a Shared Work plan, per their employer's fringe benefits; however, an employee must work at least **one (1)** day during a Shared Work week in order to be eligible for a Shared Work benefit payment. If an employee were to take five days of vacation, personal, or sick time within the same week, they will not be eligible for a Shared Work benefit payment for that week.

Please be aware that when calculating the Percentage of Reduction for Shared Work, you should treat any Holiday, Sick, Vacation, Personal Leave hours as hours worked. Please review the Percentage of Reduction calculation example below to understand how to report employees' time off.

Reporting Example:

If an employee were to take 3 days of vacation during a week, those 24 hours should be treated as hours worked and excluded from your Shared Work Percentage of Reduction calculation.

Percentage of Reduction calculation example: If an employee worked 8 hours (1 day minimum) and then took 24 hours off (holiday/sick/vacation/personal time), the employer would report 32 total hours for the employee, making for an 8- hour reduction for that employee's standard 40 hour work week.

I have to shut down my business for a period of time, what do I do?

If your company is experiencing a Shutdown or Furlough and your employees are not working, they will not qualify for a Shared Work payment. The employees can file a claim for regular Unemployment online at www.FILECTUI.com, by clicking the **blue button** to file or reopen a claim, and submit a claim for regular unemployment. Then they will receive an email advising them of their next steps. We do not process any payments for regular unemployment here in the Shared Work Unit.

If you have a list of employees participating in Shared Work that will be on a shutdown/furlough please send it to Shared Work at DOL.sharedwork@ct.gov. This will allow us to remove them from Shared Work, which will make it easier for them to file on their own through the regular unemployment system.

When your employees return to work following the Shut down if they will be working reduced hours, you may start submitting weekly certifications again for those weeks.

What are 'fringe benefits?'

Fringe benefits include, but are not limited to, health insurance, retirement benefits, paid vacation and holidays, sick leave, seniority accrual and similar advantages of employment.

What is a "seasonal employer?"

A seasonal employer does not pay any wages to employees on a regular basis within one or more quarterly periods of each calendar year. A seasonal employer can also mean an employer who is in an industry in which it is customary to operate because of climatic conditions or due to the seasonal nature of such industry.

What is an affected unit?

An affected unit is a specified plant, department, shift or other definable unit consisting of two or more employees to which an approved Shared Work plan applies.

What does 'usual weekly hours of work' mean?

Usual weekly hours of work means the normal hours of work each week for an employee in an affected unit when that unit is operating on a full-time basis, not to exceed 40 hours.

Who gets charged Shared Work benefits?

Shared Work benefits are charged in the same manner as regular Unemployment Insurance benefits. However, the CARES Act provides federal reimbursement to the state for all weeks of unemployment paid under the Shared Work Program. It covers weeks of unemployment paid from week ending April 4, 2020 through week ending December 26, 2020.

During this time, all UI benefits paid under the state's Shared Work Program will be reimbursed to the state by the federal government. None of these weeks of unemployment will be charged to any employer. This includes employers who pay UI taxes on a quarterly basis and employers who have elected to reimburse the state for UI benefits paid to their former employees.

Under standard circumstances when the unemployment tax is in effect, Shared Work typically has less impact on employer unemployment tax than a full layoff as the employee collects less unemployment.