

# Employer Frequently Asked Questions

## 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.

## 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 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.

### To calculate a Weekly Benefit Rate:

2 <sup>nd</sup> Qtr 2017	3 <sup>rd</sup> Qtr 2017	4 <sup>th</sup> Qtr 2017	1 <sup>st</sup> Qtr 2018	2 <sup>nd</sup> Qtr 2018	New Claim Initiated in Jul-Sep 2018
Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	

↑ Base Period- Apr 2017- Mar 2018 ↑

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 \$613.

\* 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**.

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

In order for an employee to use vacation, personal or sick time, he or she **must** work at least one (1) day during a Shared Work week in order to be eligible for a Shared Work payment. During a calendar week, if an employee chooses to take five days of vacation, personal or sick time, that employee **cannot** use Shared Work to cover one or more of the days missed. An employee will **not** be eligible for Shared Work unless the one-day criterion is met.

### 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 ...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 x 40 hours per week = \$800	20 hours regular pay <b>\$400</b> + Weekly Shared Work payment <b>\$200</b>
<b>Total weekly UC payment \$400</b>	<hr/> <b>Total weekly income: \$600</b>

*A difference of **\$200** a week with the SW program!*

### 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.

### 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.

### 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.

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

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

### 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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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](mailto: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.

**Who gets charged Shared Work benefits?**

Shared Work benefits are charged in the same manner as regular Unemployment Insurance benefits