

WORK SHARE PLAN APPLICATION FORMAT

- Provide the name and unemployment insurance account number of the employer.
- Provide the name and telephone number of a contact person.
- Provide the proposed beginning and ending dates of the plan.
- List the names and Social Security numbers of the affected workers and show their current regular hours of work and the hours of work under the proposed plan.
- Describe how fringe benefits will be handled.
- If a bargaining unit exists, the collective bargaining agent for each agreement covering any affected employee must agree in writing to the plan.
- Certify that:
Listed employees are affected;
The reduction in hours is instead of a layoff;
The impact on the employer's tax liability is understood.

WHAT HAPPENS NEXT?

Once approved, the employer receives a packet of unemployment insurance applications and a supply of weekly claim certifications.

Workers covered in the plan complete the unemployment insurance applications, which the employer then returns to the Employment Department.

Claim certifications are distributed to the employees by the employer for each week they wish to claim Work Share benefits. The worker completes one part of the form and the employer certifies to the employee's eligibility and participation on another part. These forms are then returned to the Employment Department.

QUESTIONS AND ANSWERS

Q. Can an employer have more than one plan?

A. No. However, employers may request a change to the plan by submitting a "Work Share Modification" form or by making individual modifications on the employees' weekly claim certifications.

Q. What may be modified on a plan during its existence?

A. Employees may be added or deleted. The hours reduced may be changed. The ending date may also be modified.

Q. Plans exist for one year. May they be extended?

A. No. But, a second plan may be filed right after an existing plan expires.

Q. Are different percentages okay for different individuals within the plan?

A. Yes. Different percentages are allowed so long as the percentage of reduction remains between 20% and 40%.

Q. Can an employer lay off some workers in the plan and still keep the rest?

A. Yes, because Work Share would still prevent the layoff of those who stay. Or, the employer could change the plan to provide for a higher percentage reduction of hours for all workers, thus possibly eliminating the need for any layoffs.

If you have any questions, call 1-800-436-6191 ext. 7-1337. TDD assistance is available to the hearing impaired by calling (503) 947-1391.

Applications may be obtained upon request from :
Oregon Employment Department
Work Share Unit
875 Union St NE
Salem, OR 97311

Our staff are able to assist you if you need any of our services in a language other than English.

Nuestros empleados pueden ayudarle, si usted necesita cualquiera de nuestros servicios en Español.

The Employment Department is an equal opportunity program. Auxiliary aids and services are available upon request to individuals with disabilities. Contact your nearest Employment Department office for assistance.

State of Oregon • Employment Department
UI PUB 62 (1-03)

WORK SHARE



Business and the State of Oregon Working Together to Reduce Layoffs.

WORK SHARE COMPENSATION

Work Share is an alternative to laying off employees. By reducing the hours of work, Work Share supplements lost wages with partial unemployment insurance benefits.

ADVANTAGES & DISADVANTAGES

Employers

Advantages

- Helps to maintain existing productivity and quality levels since the same employees are doing the same jobs.
- Provides the capability to expand business rapidly with a fully trained work force when economic conditions improve.
- Reduces training costs because a company's work force remains intact. Workers do not have to be reassigned and retrained for new duties.
- Reduces administrative costs. Work Share avoids changing work schedules, transfers, bumping and downgrading common to layoffs.

Disadvantages

- Increases overhead costs if fringe benefits stay the same.
- Will require additional payments to the Unemployment Trust Fund of all Work Share benefits paid for certain employers who have higher tax rates because of their previous unemployment history. The possibility for added tax charges will be discussed when you inquire about the program.

Employees

Advantages

- Employment skills are maintained.
- Newly hired workers remain employed rather than being totally laid off.
- Reduces fringe benefit loss (primarily life and health insurance and pension rights) associated with unemployment.

Disadvantages

- Senior workers may see a loss of income if their workweek is reduced. This might not occur if the employer laid off workers with less seniority.
- Fringe benefits may be reduced along with the workweek.
- Unemployment insurance benefits which may be needed later in the event of a total lay off are being used now.

HOW IT WORKS

An interested employer submits a Work Share Plan Application. Under the plan, the employer reduces the workweek by 20% to 40% percent. Workers who qualify for unemployment insurance benefits would receive both wages and Work Share benefits. Workers would receive the percentage of their regular benefits that equals the percentage of reduction in their workweek.

Example: An employer needing a 20% reduction in work hours might lay off one-fifth of its work force. As a worksharing choice, the firm could reduce the hours of work for its total work force by 20%. An employee who usually earns \$500 a week would work four days per week instead of five and earn \$400. If the employee in the example is normally eligible for \$275 a week in unemployment insurance weekly benefits, the person would receive \$400 in wages for the week and a \$55 Work Share benefit (20% of their \$275 weekly benefit).

THE CONDITIONS

- Employees must qualify for Oregon unemployment insurance benefits.
- The plan must cover at least three employees.
- The normal weekly hours of work and wages are reduced at least 20% and not more than 40%.
- The plan exists instead of a layoff for the affected employees.
- The members of the affected group must have worked continuously for 6 months on a full-time basis or for 1 year on a part-time basis just before the employer submits the Work Share plan.
- The employer reduces the normal weekly hours of work by the amount in the plan.
- The plan can last no more than one year.
- A worker can get only 26 weeks of Work Share benefits under a plan. The Work Share payments a worker receives will be deducted from their available maximum benefit amount on their unemployment insurance claim. If they have a remaining balance available, a worker may be able to continue to draw regular benefits if needed, as long as they are otherwise eligible to receive them.
- Persons who have used all of their regular benefits or who have a claim against another state cannot receive Work Share benefits.
- No Work Share benefits are paid if the employee works more than the reduced hours that are not within the 20 to 40 percent limitation. It may be possible for a worker to qualify for regular unemployment benefits under these circumstances if their earnings are less than their weekly unemployment benefit amount and they work less than 40 hours.
- The employee must be fully available for work to the Work Share employer.