

Article introducing Shared-Work to employers published in the UC Issues Update newsletter Fall 2014:

Shared-Work: The Alternative to Layoffs

Pennsylvania's Shared-Work Program allows an employer to temporarily reduce the work hours of a group of employees as an alternative to a lay-off. Employees covered by the plan receive a percentage of their UC Weekly Benefit Amount (WBA) while they work the reduced schedule, if they are otherwise eligible for UC.

The percentage by which each employee's work hours are reduced is called the "reduction percentage." The employer determines the reduction percentage. It must be at least 20 percent and cannot exceed 40 percent. The reduction percentage must be the same for all employees participating in a shared-work plan. For example, if an employee normally works 40 hours per week, and the reduction percentage is 20 percent, then the employee's hours are reduced by 20 percent and he or she would work 80 percent of 40 hours, or 32 hours per week.

For each week included in the plan, an employee receives a percentage of his or her UC WBA equal to the reduction percentage. For example, if the employee's WBA is \$400 and the employee's hours are reduced by 20 percent under the plan, the employee would receive 20 percent of \$400 or \$80 in shared-work UC.

The employer will obtain UC applications from participating employees and will submit biweekly UC claim forms for participating employees.

Benefits of a Shared-Work Plan:

- It provides partial financial assistance to employees during difficult economic times
- It avoids layoffs
- It allows the employer to keep skilled employees
- It builds loyalty with employees
- It reduces future training costs
- It is customizable to meet the specific needs of the employer