



# Shared-Work Program

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**Employers can temporarily cut payroll costs while keeping skilled workers**

**Employees receive a paycheck and partial unemployment benefits – along with health benefits**

The Shared-Work Program was created by the state legislature in 1983 to provide businesses greater flexibility in retaining employees at reduced hours rather than completely laying them off. An employer can temporarily reduce employees' hours 10 to 50 percent, and qualified workers may receive partial unemployment benefits to replace a portion of their lost wages.

The program is offered statewide by the Employment Security Department. Interested employers can learn more about the program online at [www.esd.wa.gov/shared-work](http://www.esd.wa.gov/shared-work), by calling 800-752-2500 or by e-mailing [sharedwork@esd.wa.gov](mailto:sharedwork@esd.wa.gov).

## Eligibility

### *Employers*

Public- and private-sector employers are eligible to participate, from large corporations to those with only one employee. A shared-work plan can involve just one employee or all eligible employees at a company.

A participating employee's hours can be reduced by no more than 50 percent. Health benefits must be maintained if offered before a shared-work plan is established; they cannot be reduced due to a reduction in hours. A shared-work plan can last up to 12 months. If a plan expires, the company can reapply for another year. After two one-year plans, a company must wait at least 12 months to apply again.

Shared-work plans are not intended to address variations in economic activities that are an inherent part of the industry or business, or to address long-term economic downturns.

### *Employees*

Only full-time, hourly workers who would be eligible to receive regular unemployment-insurance benefits in Washington state are eligible for the program. The program will not subsidize seasonal employers, part-time employees or employees paid on any basis other than hourly wages. This includes employees paid on a piece-rate basis as well as mileage rate, job rate, salary, commission basis and corporate officers. Workers can receive Shared-Work benefits throughout an entire benefit year.

## How the program works

Employees work a reduced work week but potentially are eligible to receive a proportional unemployment benefit. For example, if an employee's work week is reduced by 20 percent (or eight hours), he could receive 20 percent of his unemployment insurance weekly benefit entitlement, in addition to the 32 hours of regular hourly earnings.

**Employers and workers love it!****Advantages**

Employers save money by lowering their payroll costs while retaining a skilled work force. By valuing employees' contributions, the employer builds trust and good will.

Employees are spared the hardships of full unemployment, realizing more net income than they would if they were fully laid off.

Employers and workers alike have lauded the program. In a December 2010 survey by Employment Security, nearly 63 percent (up from about 60 percent in 2009) of participating employers said the program had helped their business survive the recession, and nearly 20 percent said that it probably helped. Also, more than 98 percent (up from nearly 90 percent in 2009) said they would recommend the program to other businesses.

Washington's successful Shared-Work Program also gained national attention:

- NBC Nightly News aired this story in November 2009 ~ <http://www.msnbc.msn.com/id/21134540/vp/33920188#33920188>.
- Employment Security was invited to testify in Congress in spring of 2010.

**Record participation****Participation in Shared Work**

Washington has one of the most successful Shared-Work Programs in the country. In 2010, a record 3,564 businesses and nearly 51,000 employees were approved to participate in Shared Work – compared to 621 employers and about 24,000 workers in 2008. The program saved at least 32,000 jobs in 2010 and more than \$69 million in benefit payouts. Currently, there are 2,200 employers and nearly 25,000 employees approved to participate statewide.

**Department expands participation time limits****Extension of additional Shared-Work plan years**

Employment Security is allowing employers to apply for additional Shared-Work plan years due to the continuing economic downturn. Previously, a company could be on Shared Work for only two successive years before taking a year off.

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