

# Work Share Program Benefits Employers and Employees

## What is the Work Share Program?

Work Share offers employers an alternative to laying off your work force. It allows you to keep skilled employees during slow times by reducing work hours. Eligible staff whose hours are reduced receive a portion of their regular unemployment insurance benefits to compensate for the lost wages.

Find more information about our [Work Share](#) Program  
View our [Work Share fact sheet](#) and [Work Share FAQ's](#).

## How is Work Share funded and will it affect my tax rate?

Work Share usually is funded the same way traditional unemployment insurance is - through payroll taxes paid by employers. The exception is some governmental, tribal, and non-profit employers that are “reimbursing employers” and repay the Unemployment Insurance Trust Fund for any benefits paid out in lieu of taxes.

*However, between March 29, 2020 and December 26, 2020, **all Work Share benefits will be federally funded**, including additional payments received under Pandemic Emergency Unemployment Compensation (PEUC) or Federal Pandemic Unemployment Compensation (FPUC). Any benefits paid through these programs will not be charged to taxpaying employers nor billed to reimbursing employers.*

## How much can employees earn through the program?

The weekly benefit amount depends on the income of the employee and the number of hours that are reduced. If an employee’s hours are reduced by 20%, they would receive 20% of the unemployment insurance benefits they would have received if they had been laid off.

FOR EXAMPLE: If Jim usually works five days a week and earns \$500, he would now work four days per week and earn \$400 from his employer. If Jim is eligible for \$275 a week in unemployment insurance benefits, he will now receive both the \$400 in wages from his employer and \$55 in Work Share benefits for the week (20% of his \$275 weekly benefit) for a total of \$455.

Your employees can use our [online benefit estimator](#) to find out how much they are eligible to earn through Work Share.

## Will Work Share employees qualify for the additional \$600 a week?

Yes. If an individual is eligible for Work Share, they will receive a separate weekly payment of \$600 under the Federal Pandemic Unemployment Assistance (FPUC) program (payable for March 29 through July 25, 2020).

## **Does a business have to “qualify” for the program?**

Most businesses are eligible for the program. Program enrollment mostly consists of submitting a short plan on how the program will be used and certifying that program rules and guidelines will be followed.

To participate in the Work Share Program, you must have three (3) or more employees who have worked for you at least part-time for one (1) year, or full-time for six (6) months. Those who have an unemployment insurance claim against another state or have previously exhausted their Oregon unemployment insurance benefits are not be eligible to participate in your plan.

## **How many employees can be on the program?**

Work Share requires a minimum of three (3) or more employees, but there is no limit on the number of employees who may participate in the program. You do not need to have three employees claim every week, as long as you have three (3) qualified employees employed at your place of business while on the program.

## **How does the program affect employee benefits?**

It doesn't. To qualify for the program, employers must continue to provide fringe benefits (such as health care and retirement benefits) under the same terms and conditions as when the affected employee worked his or her usual weekly hours.

## **What do employees have to do while on the program?**

Employees complete a simple two-page [initial claim application](#). They are not required to look for work or submit weekly certifications while on the program. If they have other employment, the claimant must report any additional wages or income from that employment.

## **How do I apply for Work Share?**

Employers apply to the Work Share Program on behalf of their employees by submitting a [Work Share Plan Application](#) to the Oregon Employment Department. Once your plan is approved, you will submit weekly one-page certifications regarding your enrolled staff's hours to the Employment Department. Your staff are then paid a portion of the unemployment insurance benefit corresponding to the reduction in their work hours.

## **How long will it take for a Work Share plan to be approved and how long will it take for people to start receiving benefits?**

It is currently taking about two to three weeks to process the Work Share Plan and around four to five weeks before the first payment is made. Because the Work Share program requires a lot of manual work by Employment Department staff, and the large increase in the number of people using Work Share, some plans may take longer – particularly larger plans covering a lot of employees. The Employment Department is currently adding staff to help with the increase in demand for Work Share.



## **Can the State of Oregon expand the range of hours reduction to qualify for Work Share?**

Oregon law [ORS 657.380 \(1\)\(b\)](#) requires an eligible employee's hours must be reduced by 20% to 40% to qualify for Work Share. Modifying that would require a change to state law, and must be within the federal requirement of 10% to 60%.

## **Can the State of Oregon change the minimum period of time a worker must be employed by a company to be part of the Work Share plan?**

Oregon law ORS 657.370 (1) requires an employee be continuously employed for six months on a full-time basis or for one year on a part-time basis. Workers employed on a seasonal, temporary or intermittent basis cannot participate in Work Share under federal and state law.

## **How are the retirement contributions for my employees affected by participating in Work Share?**

Employees participating in Work Share must retain coverage in the retirement plan under the same terms and conditions as employees not participating in Work Share. Hours that are reduced under the Work Share plan must be credited for purposes of participation, vesting, and accrual of benefits as though the usual weekly hours of work had not been reduced. However, the dollar amount of employer contributions to a defined contribution plan that are based on the amount of employee compensation may be less due to the reduction in the employee's compensation. For example.

- Retirement contributions to a defined contribution plan are based on the hours an employee worked. If your employees all normally work 40 hours per week, but are having their hours reduced by 20% under your Work Share plan, they must be treated as having worked 40 hours for purposes of participation, vesting, and accrual of benefits.

The amount of money the employer contributes into the plan, however, would be reduced by 20%. The employer's contribution rate remains the same, but the actual amounts contributed would be decreased due to the employee having lower weekly earnings.

## **Can PERS contributing employers participate in Work Share?**

Yes.

- Employees must be treated as working their normal hours for purposes of eligibility for the plan, vesting, and benefit accruals (i.e., years of service). These components relate to time/hours worked. In its shared work plan, a PERS-participating employer must certify that no employee participating in the shared work plan will have their hours reduced below 50 per month and 600 per year.
- Contributions to the Individual Account Program can be reduced to reflect reduction of the actual salary paid to the employee.

**I don't want to layoff my employees but with reductions in revenue I cannot afford to keep them at their full time schedule. Can Work Share help?**

Yes. Work Share helps prevent layoffs. If you reduce your employees' hours worked by 20 to 40 percent for the week, they will potentially receive Unemployment Insurance benefits for the reduced hours and the \$600 weekly Federal Pandemic Unemployment Compensation (FPUC) benefit through July 25, 2020.

**Now that the Governor is opening up the state, I want to open my business but I cannot afford to bring my staff back full time. Can Work Share help me keep my employees?**

Yes. Work Share is ideal for situations where an employer needs to gradually bring employees back to work. When employee hours are reduced 20 to 40 percent, they will continue receiving Unemployment Insurance benefits, including the \$600 weekly Federal Pandemic Unemployment Compensation (FPUC) benefit through July 25, 2020.

**Are my employees able to use paid time off like sick leave or vacation leave if they are out ill or want to take a day off to head out of town?**

You must be able to work and available to work to qualify for Work Share. If you have available work for your employee and they choose not to work for any reason, they would not qualify for Work Share that week.

Exception: If your staff misses work due to COVID-19, please let us know. We will accept their weekly claim but will need to review it under regular UI guidelines, not under Work Share. The person's earnings may also impact their eligibility for the week.

**UPDATE:** Beginning 8/2/20 - 12/26/20, an employee may use approved, accrued leave as hours worked during the week, such as leave taken for other reasons, including because the employee is sick, is caring for someone else who is sick, is on jury duty, or because of COVID-19 related reasons. This does not apply to leave taken for vacation purposes.

**FOR EXAMPLE:** If an employee is scheduled to work 40 hours per week but needs to be out all week due to being sick or taking care of someone who is sick, they should use between 24-32hrs of accrued leave to meet the Work Share reduction in hours. If they take more than 32 hours or under 24 hours, they will not meet the reduction in hours of 20-40%.

**If my employee's hours are reduced but they do not work enough hours to meet the 20-40% reduction in work for the week, can they use paid time off like sick leave or vacation leave to meet the required hours worked?**

Yes. If your employee did not work enough hours during the week to meet the minimum number of hours worked, they can use leave to meet the reduction requirements.

Example: They must have worked a minimum of 24 hours during the week if they customarily work 40 hours a week. If you had 20 hours of work for them in the week, the employee could use 4 hours of accrued leave to receive shared work benefits for the week.

## How do I find out more information about Work Share?

There are five ways to learn more about Workshare. The best place to look is our website. Because of the large number of people interested in Work Share, call wait times and email response times are significantly higher than usual.

1. [OED website](#)
2. [Work Share fact sheet](#)
3. [Work Share FAQ's](#)
4. Call **1-800-436-6191** or
5. [Email us](#)