

## Work Share Information Sheet

The current health crisis and resulting economic crisis forced us to seek innovative methods of delivering services to our students and communities. Looking forward we realize we face unprecedented economic challenges in conjunction with the health crisis. We must consider all potential cost saving options, seek sources of alternative funding, and leverage all available resources.

The CARES Act and Work Share Program (also known as short-term compensation) have created a unique opportunity for districts in Oregon. The work share program has been in place for some time in Oregon, however, it is not something Oregon school districts have historically utilized. The program provides an opportunity to reduce the hours of a large group of employees and eliminate the need to layoff individual employees.

The following outlines some potential benefits from participation in the Oregon Work Share Program and utilization of funding under the CARES Act.



Work Share provides an alternative for employers and workers who may be facing the prospect of a lay off situation. With Work Share, instead of reducing staff, an employer reduces the hours of work for a group of workers. Partial Unemployment Insurance benefits are then paid to supplement workers' reduced wages.

Work share allows:

- temporary furloughs rather than layoffs.
- you to spread the impact over a large number of employees while retaining jobs for the greatest number of people.
- maintains benefits like health and dental insurance which are important.
- leverages federal CARES Act benefits.

The CARES Act shifts several critical elements of typical unemployment benefits through July 31, 2020:

- CARES Act offers \$600 each week for as little as \$1 of state unemployment benefits. Given that the weekly maximum in Oregon for UI benefits is \$648, with the CARES funding that increases the benefit to \$1,248. It also takes the weekly minimum UI payment from \$1 and raises it to \$601.
- DOL guidance clarified that short-time compensation is eligible for the \$600 payment. (See [DOL guidance at 4\(a\) here](#))

Other factors and considerations:

- Normally, a self-insured employer would absorb unemployment costs. DOL guidance clarified that the CARES Act covers 100% of short-term compensation. (See [CARES Act Summary](#) Section 2108)<sup>1</sup>
- [Governor's Order Executive Order 20-20](#) - Section 4e added language "Regularly pay public school employees, subject to budget and personnel decisions" This addition allows furlough days.

<sup>1</sup> Recent information from the Employment Division indicates there may be some question as to whether or not reimbursement employers will receive a 100% reimbursement of the State share of these benefits or it will be limited to 50%. Regardless, the CARES Act funded benefit of \$600 per week is fully paid for.

- Governor waived the 1 week waiting period to qualify for unemployment benefits
- Need to work with local unions to get agreement before making application to State.
- It is possible for some employees to receive more in unemployment benefits under this program than they are losing due to a furlough day.
- There may be public criticism of districts utilizing these tools.
- Employees will have questions and need to be informed about the program and what it means to them.

Work share program requirements:

- District must make application and be approved
  - [Application Instructions](#)
  - [Fillable Application](#)
- Application includes signature of union representation
- Eligible employees: Full time employees must have worked for district for at least 6 months and part-time employees must have worked for the district for at least 12 months.
- Hours or FTE reductions can be between 20% and 40%
  - For example, 1 day per week furlough would qualify
- Employer provides list of eligible employees to Employment Division
- Employee must complete short 2 page initial claim form [Click here for form](#)
- Employee must submit weekly timecards to district
- District files weekly [Claim Certification Form](#)

The above combined resources provide an opportunity for Oregon school districts to leverage more of the CARES Act funding, maintain employee wages and benefits, and save district resources to be utilized in 2020-21. We know we face significant potential funding reductions in the 2<sup>nd</sup> year of this biennium and any savings we can accomplish in the current year will allow us to protect programs and services next year.

Time is of the essence as this window closes on July 25, 2020 under the current CARES Act funding. The school year is quickly closing and our ability to get individual applications processed and approved will further impact our ability to maximize potential savings. Remember you need to include time to work with your local unions in order to get an agreement.

*Please note this document is provided by Oregon ASBO for informational purposes only, it is not intended as a recommendation to utilize the work share or any other program. The information included may not represent the most current or up-to-date information. There are various links included that will take you to third-party websites and articles. They are included for the convenience of the user. You should contact your legal counsel before acting upon any information contained herein. Only your individual attorney can provide assurances that this information and your interpretation of it is applicable or appropriate to your situation. The content provided in this document is "as is" and no representations are made that the content is error-free.*

List of resources and articles with additional information and specifics:

[How does OR work share work](#)   [Oregon Work Share Employer Info](#)   [Oregon Work Share Brochure](#)  
[Proskauer Article](#)   [LA Times Article on Work Share](#)   [Relevant NYT article](#)



## **FACT: YOU'VE GOT AN ANSWER FOR EVERYTHING, BUT DO YOU KNOW THE FACTS ABOUT WORK SHARE?**

- The Work Share Program, also known as Shared Work and Short-Time Compensation (STC) Program, established in 1983, has recently been streamlined to make it even easier for businesses to use.
- Funded through payroll taxes and administered by the Oregon Employment Department, Work Share is a federally supported program that gives employers an alternative to layoffs.
- The program provides employers with three or more employees the option of applying for part-time unemployment insurance benefits on behalf of their employees as a way of subsidizing lost wages due to a reduction in hours, often a result in economic downturn or other market changes.
- While the program may impact a company's premium in a way similar to traditional unemployment insurance claims, businesses get the benefit of retaining key employees.
- On the program, employees receive a portion of what they would receive from a full unemployment insurance benefit claim, equivalent to the percentage of work-time lost.
- The weekly benefit amount depends on the income of the employee and the number of hours that are reduced.



**For example, 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.**

- Many businesses are eligible to participate in the program, as long as they have a minimum of three employees that will be on the Work Share plan.
- Program enrollment consists of submitting a short plan for how the program will be used, and a form certifying that program rules and guidelines will be followed.
- Program plans last for up to a year, with the possibility of a year-long extension upon re-application.
- As part of the newly streamlined process, enrolled businesses submit one certification that covers all employees, identifying hours worked and gross wages paid for each participating employee, compared to their normal work week.
- While using the program, employers continue providing health and retirement benefits under the same terms and conditions as when the affected employee worked his or her usual weekly hours.

### **CONTACT A PROGRAM SPECIALIST:**

All inquiries are confidential. Find out if Work Share is right for your business, now or down the road.



**OregonWorkShare.org**



**503.947.1800**

**TOLL FREE: 1.800.436.6191**



**OED\_WorkShare@Oregon.gov**

The Oregon Employment Department is an equal opportunity employer/program. Auxiliary aids and services, and alternate formats are available to individuals with disabilities and language services to individuals with limited English proficiency free of cost upon request. TTY/TDD – dial 7-1-1 toll free relay service. Access free online relay service at: [www.sprintrelayonline.com](http://www.sprintrelayonline.com).

El Departamento de Empleo de Oregon es un programa que respeta la igualdad de oportunidades. Disponemos de servicios o ayudas auxiliares, formatos alternos para personas con discapacidades y asistencia de idiomas para personas con conocimiento limitado del inglés, a pedido y sin costo. Llame al 7-1-1 para asistencia gratuita TTY/TDD para personas con dificultades auditivas. Obtenga acceso gratis en Internet por medio del siguiente sitio: [www.sprintrelayonline.com](http://www.sprintrelayonline.com).







## FREQUENTLY ASKED QUESTIONS

### 1 HOW IS THE WORK SHARE PROGRAM FUNDED?

The program is funded the same way traditional unemployment insurance is- through payroll taxes paid by employers. However, on this program, partial unemployment insurance benefits are granted to employees to compensate for a reduction in hours. In this way, the program allows both businesses and their current employees to get the benefit of the payroll taxes companies pay.

### 2 DOES A BUSINESS HAVE TO "QUALIFY" FOR THE PROGRAM?

Most businesses are eligible for the program. Program enrollment consists of submitting a short plan for how the program will be used and certifying the program rules and guidelines will be followed. You can preview the program application in a PDF format at [OregonWorkShare.Org](http://OregonWorkShare.Org).

### 3 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 would be eligible for \$275 a week in unemployment insurance benefits, he would 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.

You can use our online benefit estimator to find out how much you are eligible to earn through Work Share located here: [secure.emp.state.or.us/ocs/estimator/](http://secure.emp.state.or.us/ocs/estimator/)

### 4 HOW MANY EMPLOYEES CAN BE ON THE PROGRAM?

Employers with three or more employees can apply for the program. Work Share has been used by businesses to avoid layoffs with as few as three and as many as 500 employees on the program.

### 5 HOW DOES PROGRAM PARTICIPATION AFFECT TAXES?

Using Work Share for partial unemployment benefits affects a company's premium in a way similar to traditional unemployment insurance claims, yet businesses get the benefit of retaining key employees.

### 6 HOW DOES THE PROGRAM AFFECT EMPLOYEE BENEFITS?

While on the program, employers continue to provide health and retirement benefits under the same terms and conditions as when the affected employee worked his or her usual weekly hours.

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State of Oregon  
Employment

## PUTTING WORK SHARE TO WORK FOR YOUR BUSINESS

Work Share provides Oregon businesses an alternative to layoffs. This newly streamlined program allows employers to leverage unemployment insurance to temporarily supplement a portion of staff's lost wages when their hours are reduced.

## WHAT PARTICIPANTS ARE SAYING ABOUT WORK SHARE:

“IT'S SO EASY TO USE. You check off a couple boxes on a one-page form and send it to the labor department. The lack of red tape is reassuring for everyone.”

Lisa Maxim | Oregon Aero Inc.

“We were able to keep trained, key employees during slow times rather than having to lay them off. This **MADE US MUCH MORE PRODUCTIVE** when orders picked up, than if we were to hire new, untrained employees.”

Robin Drinkwater | Encore Ceramics

“The Work Share program is user-friendly and allows smaller companies to **RETAIN TALENTED, TRAINED EMPLOYEES** during sluggish economic times. The work required to participate in the program is minimal and most importantly, it keeps the employees happy.”

Tina Hamel | Doty Pruett Wilson PC

“Sheldon Manufacturing has relied on Work Share primarily for employee retention. In many cases, we have employees who have been here for over 10, 15 or 20 years with a tremendous amount of **EXPERIENCE AND SKILL THAT WOULD BE VERY DIFFICULT TO REPLACE** if they were to leave.”

Patrick Boelleau | Sheldon Manufacturing

# WORK SHARE OREGON

HELPING YOU STRATEGIZE. INSTEAD OF DOWNSIZE.

## HOW TO AVOID LAYOFFS WITH OREGON WORK SHARE

### A SOLUTION FOR SLOWDOWNS

Many businesses experience cyclical slowdowns and are forced to make tough staffing decisions.

### FAST ELIGIBILITY DETERMINATIONS

Plans are usually approved or denied within two weeks of applying.

### EMPLOYEES RECEIVE WORK SHARE FUNDING

After filing an initial claim and one "waiting week," employees begin receiving benefits to make up for lost wages.

### MODIFY YOUR PLAN

If needed, you can adjust the employees on the program or the percent of hour reduction.

### GET STARTED

To avoid laying off experienced and trained staff, apply for Work Share by downloading and completing a simple two-page program plan.

### REDUCE EMPLOYEE HOURS

Once approved, hours for participating employees can be reduced between 20% and 40%.

### WEEKLY CERTIFICATIONS

Businesses send in one weekly certification for all employees on the program, for up to a year.

### BACK TO BUSINESS AS USUAL

When business picks back up, employees can return to regular schedules.

## READY TO TAKE THE NEXT STEP?

Reach out to a program specialist for a confidential, no obligation conversation and find out if Work Share is right for your business now or down the road.



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## WORK SHARE BY THE NUMBERS:

**30+ YEARS**

WORK SHARE HAS HELPED Oregon businesses AVOID LAYOFFS



**20-40%**

OF STAFF HOURS that can be reduced and supplemented by Work Share Income

**3-500+**

NUMBER OF EMPLOYEES that can use the Work Share program



**1,702**

OREGON BUSINESSES that have used Work Share to avoid layoffs from 1983-2016

**\$1.2 MILLION**

Estimated new employee training COST SAVINGS for businesses using Work Share to retain skilled employees



**8,466**

OREGON JOBS SAVED through the Work Share Program as of August 2016

## WHY WORK SHARE?



### YOUR EMPLOYEES WILL THANK YOU:

Employees keep their jobs during a slowdown, maintain their benefits, receive funding to make up for lost wages and are not required to look for additional work while on the program.



### SAVE MONEY:

Work Share helps you avoid costly hiring and training expenses.



### LESS PAPERWORK, MORE SUPPORT:

Our streamlined processes and program experts make participation easy, so you can focus on your business.



### FLEXIBILITY:

Once enrolled, you can modify your plan throughout the year to keep pace with changing business needs.



### CONFIDENTIALITY:

All program inquiries and participation are confidential.