

Process Once the Shared Work Application is Filed

If the Shared Work Plan is approved, the employer must complete a biweekly certification. The forms will continue to be mailed to the employer for each week the Plan is in effect.

Implication on UI Tax Rate

Benefits paid under Shared Work Plans are charged back against employers' accounts for use in computing general (experience) tax rates just as with other benefit charges.

An employer eligible for a tax rate based on individual experience has the potential of paying a maximum rate of 9 percent, plus the applicable surcharge and any percentage increase/decrease.

- A new employer generally becomes eligible for an experience rate after two full calendar years of liability under the law. Until then, employers choosing to enroll in the Shared Work Program that are not yet eligible for an experience rating will be assigned a rate of 9 percent, plus the applicable surcharge and any percentage increase/decrease.
- An employer that is not eligible after once becoming eligible

because there were not 12 consecutive months immediately preceding the calculation date throughout which the account could have been charged with benefits will be assigned the maximum rate of 9 percent, plus applicable surcharge and any percentage increase/decrease.

The potential for a 9 percent maximum rate remains in effect for the year the employer enrolls in the Shared Work Program and for three years following.

Contact Information

If you have any questions, call:

573-751-WORK

or visit:

www.SharedWork.mo.gov

Applications may be obtained by request from:

Benefits Section
Division of Employment Security
P.O. Box 3100
Jefferson City, MO 65102-3100

Relay Missouri:

If calling by home or cell phone, dial "711." All other callers should dial 800-735-2966.

Shared Work Program

An Alternative to Laying Off Employees



A program designed to assist Missouri businesses when experiencing a workforce downsize.



Shared Work Program

The Shared Work Program is an alternative to layoffs for employers faced with a reduction in available work. It allows an employer to divide the available work among a specified group of affected employees instead of laying them off. These employees receive a portion of their unemployment insurance (UI) benefits while working reduced hours. To participate, an employer must complete a Shared Work Application for the company's affected unit, and submit it to the Division of Employment Security (DES) for approval.

For Example:

A firm facing a 20 percent reduction in production usually lays off one-fifth of its workforce. Under a Shared Work Plan, the firm retains its total workforce on a four-day-a-week basis. Reducing weekly work hours from 40 to 32 will cut production by the required 20 percent and allow the firm to retain all of its employees. All affected employees receive their wages based on four days of work and, in addition, receive 20 percent of the UI benefits for which they would be eligible if laid off.

Example: Qualification and Benefits Formula

An employee qualified for UI benefits with a weekly benefit amount (WBA) of \$270:

- $20\% \times 40 \text{ hour work week} = 8 \text{ hours}$
- Employee works and earns wages for 32 hours
- $20\% \times \$270 \text{ WBA} = \54

The employee receives \$54 of UI benefits in addition to the 32 hours of wages earned from the employer.

The Conditions

The DES May Approve a Shared Work Plan if:

- There is an "affected unit" of three or more employees.
- The normal 40 hour work week and corresponding wages for a participating employee are reduced in the Plan by no fewer than 20 percent and no more than 40 percent.
- The Plan applies to at least 10 percent of the employees in the affected unit.
- The Plan describes the manner in which the participating employer treats the fringe benefits of each employee in the affected unit.

- The employer certifies that the implementation of a Shared Work Plan and the resulting reduction in work hours is in lieu of a temporary layoff that would affect at least 10 percent of the employees in the affected unit and result in an equivalent reduction in work hours.

Conditions For Claiming Shared Work Benefits

- An individual must accept all work offered by the participating employer for the claim period filed.
- An individual must be able to work and be available for full-time work with the participating employer.
- An individual must be eligible for regular UI benefits in Missouri.
- No benefits will be paid to an individual who works for the participating employer more than the reduced hours specified in the Plan.
- The first eligible week will be the waiting week on the claim.
- An individual cannot be paid more than 52 weeks under the Shared Work Plan.