

Revisions to Unemployment Insurance (UI) Shared Work Program; SB 372

SB 372 revises provisions of employment security law, commonly referred to as Unemployment Insurance (UI), pertaining to the Shared Work Unemployment Compensation Program. This voluntary program is a means by which an employer may reduce the number of hours worked by employees without having to lay off workers. Affected employees receive a *pro rata* share of regular UI benefits equal to the percentage of hours for which employees' work was reduced. Under previous law, the Secretary of Labor could approve a shared work plan proposed by an employer when eight conditions were met:

- The specific work unit of full-time employees to be affected by the reduced hours of work is identified;
- The individual employees within the work unit are identified by name and Social Security number;
- The number of hours of work and the amount of wages paid, on a weekly basis, have been reduced by at least 20 percent, but by no more than 40 percent;
- The shared work plan applies to at least 10 percent of the employees in the affected work unit;
- The shared work plan addresses how fringe benefits will be affected;
- The employer certifies that the implementation of the shared work plan would prevent temporary layoffs;
- The employer has filed all UI reports and is current in all contributions owed; and
- The employer is eligible for a positive rate contribution and is not a negative account employer.

The bill revises three of the above requirements. Shared work plans cover regular part-time employees in addition to full-time employees. Employers must certify that health and retirement benefits will continue either under the same terms and conditions as though the employees' work had not been reduced or to the same extent as other employees not participating in the Shared Work program will be affected. Averted layoffs are not required to be temporary.

The bill also adds three additional requirements to shared work plans:

- Eligible employees may participate in training, including training funded by the federal Workforce Investment Act;

- The employer must give advance notice to affected employees as to an estimate of the number of layoffs that would have occurred absent participation in the Shared Work Program; and
- The shared work plan and the implementation of the plan must be consistent with federal and state law.

Finally, the bill repeals the prohibition placed upon receiving Shared Work benefits if an employee works more hours than initially estimated in the shared work plan; the allowable range for reduced work hours, a reduction between 20 percent to 40 percent, remains in effect.