



A Better Alternative to Layoffs



WorkShare

RETAIN TALENT.
MAINTAIN & GROW
BUSINESS. 



WHAT IS WORK SHARE?

HOW DOES IT WORK?

Even in a stable economy – things happen. You may be struggling to make payroll and you may be thinking about laying off employees. The good news is, with Work Share, you may not have to.

Michigan's Work Share program allows you to keep your employees working with reduced hours, while employees collect partial unemployment benefits to make up a portion of the lost wages.

With Work Share, you can maintain operational productivity and hang on to your skilled workers.

Here's an example: A company with 100 employees finds it necessary to lay off 20 people. With Work Share, the employer keeps all 100 employees on the payroll, but reduces their work week from five days to four days. This will achieve the desired 20 percent reduction in payroll. All 100 employees will continue to earn wages for four days and also are eligible for Work Share benefits for the fifth day. While weekly benefit rates vary from person to person, if a worker was fully unemployed, their weekly benefit amount would be, for example, \$362. Under Work Share, a worker whose hours were reduced by 20 percent would receive a \$72 Work Share benefit ($\$362 \times 20\% = \72).

HOW IT WORKS FOR BUSINESS

FOR EXAMPLE:

A BUSINESS THAT IS FACING A 20% REDUCTION IN PRODUCTION USUALLY LAYS OFF ONE-FIFTH OF ITS WORKFORCE.

**PRODUCTION REDUCED BY
20% = 1/5
OF WORKFORCE**



UNDER WORK SHARE, THE FIRM RETAINS ITS TOTAL WORKFORCE ON A FOUR-DAY-A-WEEK BASIS.

**100%
WORKFORCE
4 DAYS A WEEK**



PRODUCTION CUT BY
REQUIRED 20%

**BUSINESSES
WIN!**

KEEPS ALL EMPLOYEES
AND REDUCES
LABOR COSTS.

AVOIDS THE EXPENSE
OF RECRUITING,
HIRING AND
TRAINING NEW
EMPLOYEES.

ADVANTAGES OF WORK SHARE

- > **Minimizes or eliminates** the need for layoffs
- > **Enables a business** to retain trained employees and avoid the expense of recruiting, hiring and training new employees
- > **Saves money** and keeps your skilled workforce intact
- > Can be used in **almost all types of business** or industry
- > **Employees are spared the hardship** of full unemployment and get more income than if they were fully laid off

WHO CAN PARTICIPATE?

Any employer who has a reduction in production, services or other conditions which could cause potential layoffs.

YOUR PARTICIPATING EMPLOYEES MUST:

- > Be eligible for regular unemployment benefits
- > Be full-time employees
- > Have earned a sufficient amount of wages in order to establish an unemployment claim and receive Work Share benefits

The Work Share Program does not apply to seasonal, temporary or intermittent employment.

HOW IT WORKS FOR EMPLOYEES

FOR EXAMPLE:

IF AN EMPLOYEE EARNS

\$775
PER WEEK

THEN LOSES HIS JOB, THEY WOULD BE ENTITLED TO RECEIVE

\$362
PER WEEK FROM
UNEMPLOYMENT BENEFITS

WITH WORK SHARE AN EMPLOYEE EARNS NORMAL WAGES FROM A FOUR-DAY WORK WEEK

\$620
4 DAY WORK WEEK

RECEIVES BENEFITS FROM THE WORK SHARE PROGRAM FOR THE DAY OF LAYOFF

\$72
1 DAY LAYOFF
(\$362 X 20%)

EMPLOYEES KEEP THEIR JOBS **AND** RECEIVE MORE INCOME COMPARED TO FULL UNEMPLOYMENT

\$692
4 DAY WORK WEEK
+ WORK SHARE BENEFITS

**EMPLOYEES
WIN!**



WorkShare



PROGRAM REQUIREMENTS

HOW TO APPLY

Employers must meet and maintain the following requirements in order to participate in the Work Share program:

- > Unemployment taxes must be current
- > Experience account balance must have “positive” reserve
- > Must have paid wages for at least the previous 12 quarters
- > Cannot hire new employees into the affected work unit nor transfer employees into the unit during a plan
- > Cannot reduce the hours of work below the number approved under a plan
- > Must agree to not have any layoffs in order to participate in Work Share.
- > In lieu of layoffs employers must reduce employees hours from 15% to 45%.
- > Must maintain participating employees’ fringe benefits and obtain approval from collective bargaining representatives

Employers may have two or more plans covering separate work units. All employees in the affected unit must participate in the plan. A plan must include a minimum of two employees. Plans may be approved for a period of up to 52 consecutive weeks.

The employer handles the entire Work Share process including application for and payment of Work Share benefits. Applications and certifications are submitted online through the Michigan Web Account Manager (MiWAM) at michigan.gov/uia.

AVOID LAYOFFS.

KEEP YOUR SKILLED WORKERS.

SAVE MONEY.



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For more information
about Work Share, visit our website at
michigan.gov/uia or call
1-844-WORKSHR (967-5747).

UNEMPLOYMENT INSURANCE AGENCY
MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY