

**SHARED WORK  
UNEMPLOYMENT COMPENSATION  
INFORMATION AND APPLICATION**



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**DEPARTMENT OF ECONOMIC SECURITY**

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*Your Partner For A Stronger Arizona*

## SHARED WORK PROGRAM

Please read the following information carefully. If you submit an application for a Shared Work Plan, you will be required to certify that you have read and understand the information included on the application.

### WHAT IS SHARED WORK?

The Shared Work Unemployment Compensation Program is an alternative for employers faced with a reduction in force. It allows an employer to divide the available work or hours of work among a specified group of affected employees in lieu of a layoff, and it allows the employees to receive a portion of their unemployment benefits while working reduced hours.

During the approved period of the employer's Shared Work plan, an employee may be eligible for up to 26 weeks of Shared Work benefits.

The employee is eligible for Shared Work benefits for each week in which:

1. Their normal weekly hours are reduced by at least 10% but no more than 40%,
2. They file a claim and meet the eligibility requirements for regular Arizona benefits, except they do not have to:
  - a. be available for other work,
  - b. conduct an active search for work, or
  - c. apply for or accept work other than for the Shared Work employer.
3. They have not exceeded the maximum benefit amount that is payable in a benefit year.

An employee included on a Shared Work plan may not receive benefits for any week in which they receive regular benefits, nor may an employee participate concurrently in two or more Shared Work plans.

### HOW WILL SHARED WORK AFFECT MY UI TAX ACCOUNT?

Shared Work benefits are charged against reimbursing and experience-rate employer's accounts in THE SAME MANNER AS REGULAR BENEFITS ARE CHARGED. However, any experience-rated employer having a negative reserve in their tax account and having employees paid Shared Work benefits during the fiscal year July 1st through June 30th may have a surtax added. The surtax will be added to the computed rate of negative reserve accounts as follows:

Negative reserve ratio used to determine the tax rate	Amount to be added to the computed rate
0 to -4.99%	0
-5% to -14.99%	1%
-15% or more	2%

## HOW DOES THIS PROGRAM WORK

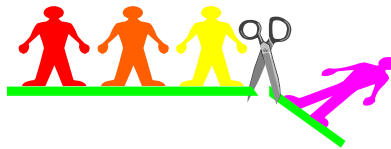
### EXAMPLE

BOTH EMPLOYERS MUST CUT BACK 20%  
DUE TO ECONOMIC DOWNTURN

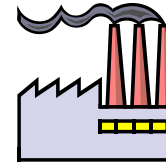
#### Employer #1



20% cutback required layoff of 1/5  
of the workforce (*Laid off person files for  
full unemployment compensation*)



#### Employer #2



20% cutback required no **layoff**  
(*All work 4 days a week and draw partial  
unemployment equal to 1/5 of weekly  
unemployment compensation amount.*)



Both of these actions provide the employer with a 20% reduction; however, employer #2 does not reduce the number of employees. Each employee of employer #2 works four days (in this example) and receives partial unemployment benefits.

#### Advantages to Shared Work Program

- Production and quality levels are maintained and rapid recovery to full capacity is possible through retention of an experienced workforce.
- When the economy recovers, administrative and training costs of hiring new employees are eliminated.
- Affirmative action gains are protected.
- Employee morale remains high.
- The impact of a recession is more equitably distributed because most recently hired workers who would have been most susceptible to layoff are retained.
- Employees retain their skills and advancement opportunities.
- Consumer spending patterns remain more stable, which could result in a milder recession.
- Public Assistance expenditures are lessened.

#### Disadvantages to Shared Work Program

- Valuable employees who are able to locate full-time employment elsewhere may be lost.
- Overhead costs are not reduced proportionately to the reduction in hours.
- Work scheduling may be more difficult.
- Senior employees suffer a reduction in hours and income.

## HOW TO APPLY FOR A SHARED WORK PLAN

Submit the application on page 4, which must be approved by the Department of Economic Security (the Department) before eligibility for benefits may begin. The Participant Listing (page 6) must accompany the application. To the extent possible, describe and submit your plan for notifying affected workers of a reduced work week.

An employer may have two or more plans in effect at the same time covering separate groups of employees. Each plan must include at least two (2) employees, and all must be identified by name and Social Security number. Each plan must specify the beginning date for the plan, which must be a Sunday. Upon written request, a plan may be extended for up to one additional year from the date the first plan began. The request for extension must be submitted prior to the plan expiration date.

- The employer must certify that for the duration of the Shared Work plan, the reduction in hours replaces a layoff which would have resulted in a reduction of at least the same number of hours of work.
- The plan must specify any changes the affected employees will experience in fringe benefits.
- Written approval of the plan must be obtained from any collective bargaining representative representing any employee listed on the plan.

### Explanation of items on the application form:

Complete the application and the Participant Listing. Please submit your plan at least ten (10) days in advance of the date you wish your plan to begin. You will be notified by mail of the approval or disapproval of your plan. Please call (602) 771-8956 if you have questions.

1. Enter the name of the corporation, individual or organization that owns or controls the business.
2. Enter the ARIZONA ACCOUNT NUMBER which appears on the employer's quarterly UNEMPLOYMENT TAX AND WAGE REPORT (UC-018) that you submit to the Department each quarter.
3. Enter the name by which the business is commonly known (d.b.a.).
- 4-6. Self-explanatory.
7. Enter a Sunday date. Your plan cannot be effective prior to the Department's approval date.
8. Enter the number of employees to be included in the plan as listed on the Shared Work Plan-Participant Listing.
- 9-10. Self-explanatory.
11. Complete this item if any employee on the list is represented by a collective bargaining agreement. Submit the plan to the collective bargaining representative for signature. (If there are more than three [3] representatives, prepare an attachment providing a similar format.)
12. Self-explanatory.
- 13 For Department use.

### Additional information:

In the event of a temporary shutdown of no more than two weeks duration, the shared work unit will assist in processing the claims for all employees to receive full benefits. In the event the employees' normal weekly hours are not reduced by at least 10% for more than two weeks, they are then required to submit a work search for the weeks in which you did not comply with the Shared Work Program on a Weekly Claim for Unemployment Insurance Benefits (UB-106-A) form. A work search means they must make an active effort to seek work that they are suited for by experience, education and training. They must engage in a systematic and sustained effort to obtain work on at least four days of the week and make at least one job contact per day on four different days of the week.

#### Mandatory Debit Card Payment of Unemployment Insurance Benefits October 1, 2013

Individuals, who file a New Unemployment Insurance (UI) claim, will receive an Electronic Payment/Debit card issued through Bank of America.

Bank of America will mail a welcome packet to the individual within seven days from the date of filing. The welcome packet will provide instructions on how to activate the card, and contact telephone numbers for any questions related to the debit card. Once all Unemployment Insurance eligibility requirements have been met, funds will be automatically transferred into the debit card within two business days.

Individuals may also elect to have their UI benefits direct deposited into their own personal bank account. To have UI benefits direct deposited, an individual may complete and return by mail the direct deposit form which is available online at [www.azui.com](http://www.azui.com).

**Debit card questions should be directed to Bank of America at 1-855-847-2030**

**MAIL TO:**

ARIZONA DEPARTMENT OF ECONOMIC SECURITY  
Shared Work Program • Mail Drop 589C  
PO Box 6666 Phoenix, AZ 85005-6666  
Fax To: 602-253-4101 or email to UISharedwork@azdes.gov

**SHARED WORK PLAN APPLICATION**

Please **TYPE** or **PRINT** in black ink

Agency Use Only (Plan No.) \_\_\_\_\_

1. Employing Unit Name \_\_\_\_\_

2. U.I. Employer Account NO. \_\_\_\_\_

3. Business Name (Enter "same" if it is same as item #1) \_\_\_\_\_

4. Business Phone NO. \_\_\_\_\_ 5. FAX NO. \_\_\_\_\_

6. Mailing Address (No., Street) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

7. On what date (must be a Sunday) do you want this plan to become effective: \_\_\_\_\_

8. Number of employees to be covered by the plan as listed on the participant listing: \_\_\_\_\_

9. Main Arizona work location of employees listed on this plan

Street \_\_\_\_\_ County \_\_\_\_\_ ZIP Code \_\_\_\_\_

Email: \_\_\_\_\_

10. Provide an estimate of the number of layoffs that would have occurred without a shared work plan: \_\_\_\_\_

11. List each collective bargaining representative(s) for any employee(s) covered by this plan:

UNION NAME	LOCAL	UNION OFFICIAL	TITLE
A.			
B.			
C.			

I APPROVE OF THIS SHARED WORK PLAN.

Signature (Official A) \_\_\_\_\_ Date \_\_\_\_\_

Signature (Official B) \_\_\_\_\_ Date \_\_\_\_\_

Signature (Official C) \_\_\_\_\_ Date \_\_\_\_\_

**12. Employer Certification**

- During the effective period of this plan, instead of layoffs there may be a reduction(s) in the total normal weekly hours for the employees specified on the attached Participant List. If a reduction occurs, the total normal weekly work hours reduced will be at least as many as would have occurred with a layoff.
- I certify that employees currently receiving health and retirement benefits under a defined benefit plan or contributions under a defined contribution plan whose work week is reduced under the plan, that benefits will continue to be provided to those employees in the shared work plan under the same terms and conditions as though the work week of the employee had not been reduced or to the same extent as other employees not participating in the shared work program.
- I certify that participation in the shared work program and its implementation is consistent with our obligation under applicable federal and state laws.
- I have read and understand the SHARED WORK INFORMATION AND APPLICATION INSTRUCTIONS. I am aware of the potential effects on my Unemployment Insurance account (experience-rated or reimbursable) if Shared Work benefits are paid to my employees.

Owner, Partner or Corporate Officer's Name *(Type or Print)* \_\_\_\_\_

Title \_\_\_\_\_

Owner, Partner or Corporate Officer's Signature \_\_\_\_\_ Date Submitted \_\_\_\_\_

**FOR DEPARTMENT USE ONLY – DO NOT COMPLETE BELOW THIS LINE**

13. Plan Determination I recommend Yes No

Reason(s): \_\_\_\_\_

Additional Information

Claimstaking: \_\_\_\_\_ Cert List Address: \_\_\_\_\_

Owner, Partner or Corporate Officer's Name *(Type or Print)* \_\_\_\_\_

Phone NO. \_\_\_\_\_ FAX NO. \_\_\_\_\_

Backup Representative's Name \_\_\_\_\_ Phone NO. \_\_\_\_\_

Approved By \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

Entered SWS

Initial: \_\_\_\_\_ Date \_\_\_\_\_



**WEB SITES**

**Department of Economic Security (DES)**

<http://www.azdes.gov>

<http://www.azui.com>

**Base Period.** Your monetary eligibility for unemployment insurance is based on insured wages paid to you during a one-year period called the base period. In most instances the base period will be the first four of the last five completed quarters prior to the date you first applied for unemployment insurance.

The calendar year is divided into four calendar quarters:

- 1st quarter is January 1 - March 31
- 2nd quarter is April 1 - June 30
- 3rd quarter is July 1 - September 30
- 4th quarter is October 1 - December 31

**Shaded area: First four quarters. If a claim is filed in –**

OCT. NOV. DEC.	JAN. FEB. MAR.	APRIL MAY JUNE	JULY AUG. SEPT.	5 <sup>TH</sup> /Lag Quarter	JAN. FEB. MAR.			
	JAN. FEB. MAR.	APRIL MAY JUNE	JULY AUG. SEPT.	OCT. NOV. DEC.	5 <sup>TH</sup> /Lag Quarter	APRIL MAY JUNE		
		APRIL MAY JUNE	JULY AUG. SEPT.	OCT. NOV. DEC.	JAN. FEB. MAR.	5 <sup>TH</sup> /Lag Quarter	JULY AUG. SEPT.	
			JULY AUG. SEPT.	OCT. NOV. DEC.	JAN. FEB. MAR.	APRIL MAY JUNE	5 <sup>TH</sup> /Lag Quarter	OCT. NOV. DEC.
<b>Previous Year</b>	<b>Last Year</b>				<b>This Year</b>			

**Base Period is within the shaded areas.**

Your benefit rights are based on your earnings in the four shaded calendar quarters. Earnings prior to this 12-month period cannot be considered in computing the amount of unemployment insurance to which you may be entitled. Also, your earnings in the 5th quarter, which is the lag quarter, and the quarter you file your claim cannot be considered in computing your claim for unemployment insurance.