

## GENERAL INFORMATION

Shared Work is a type of unemployment insurance program. This program allows employees to “share the work” available from their employer, rather than have some employees laid off while others continue to work full time. Employees who “share the work” under an approved Shared Work Plan can collect partial unemployment insurance benefits.

## ELIGIBILITY REQUIREMENTS

**Before an employee can be eligible for Shared Work benefits, the employer must submit a Shared Work Plan to the Department of Economic Security (DES) for approval.**

This Shared Work Plan must:

1. Name the employees who will participate in the Shared Work Program.
2. Include your employer’s certification that each employee had at least \$1,500.00 in compensation payable from the employer and was employed by the employer for at least six months before the plan was submitted.
3. Indicate that as the employer, you will “share the work” rather than lay off employees.
4. Have at least two eligible employees in order to be able to participate.

If your employer’s plan is approved and an employee wants to collect Shared Work benefits:

1. The employee must establish an **Arizona** unemployment insurance claim. Shared Work may not be paid by another state.
2. The employee must serve, or have served, a waiting week. A waiting week is the first week claimed in a benefit year in which they meet requirements. Benefits are not payable for that week.

3. Their normal weekly work hours must be reduced by at least 10% but not more than 40% for each week they claim. In the event that their normal weekly hours are not reduced by at least 10% for more than two weeks, they will be required to submit a work search for each week on a Weekly Claim for Unemployment Insurance Benefits (UB-106-A) form. This means they must engage in a systematic and sustained effort to obtain work during at least four days of the week and they must make one job contact per day on four different days of the week.
4. If the employee was previously disqualified, they must show proof of earnings to re-qualify. If the employee had a disqualification with a definite ending date, they will not be eligible until that date has passed.

## CERTIFICATION FOR WEEKS CLAIMED

Once approved, DES will mail you a list of the Shared Work Plan employee’s names every other week. When you receive it, please certify the following information regarding the two most recent completed calendar weeks

1. The hours you, as the employer, would have compensated them for.
2. Whether or not any employee refused a job offer for full-time work with you.

Once certified, return the list to DES. Eligible employees will have payments released to their accounts.

## EXEMPTIONS FROM REGULAR UNEMPLOYMENT INSURANCE REQUIREMENTS

Employees participating in a Shared Work Plan:

1. Are not required to look for work and are not penalized for refusing job offers from other employers. If the employee refuses suitable full-time work from the Shared Work employer, they may be disqualified from receiving benefits.
2. Are allowed to work for another employer without affecting their Shared Work benefits.

## COMPUTATION OF BENEFITS

If any employee has an existing Arizona unemployment insurance claim, their weekly benefit amount and total award will not change for the remainder of the benefit year.

If an employee establishes a claim when they file for Shared Work, the employee will receive a wage statement in the mail. The wage statement shows employers and wages earned during the base period used to establish a claim. The wage statement will also show the weekly benefit amount and total award. An explanation of how these are computed is on the wage statement.

Unemployment insurance benefits are reduced in proportion to the hours your employer reduces the normal work week. For example, if an employee normally works a 40-hour week and you reduce their work by eight hours a week, they would be eligible to collect 20% of their weekly benefit amount. If the weekly benefit amount is \$240.00, the Shared Work benefit would be \$48.00.

## **ADVANTAGES TO THE SHARED WORK PROGRAM**

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

## **RESTRICTIONS**

An employee cannot collect Shared Work benefits for a week in which the weekly work hours are reduced less than 10% or more than 40%. For example, if the employee normally works a 40-hour week and you reduce their hours by more than 16 hours, the employee would not be eligible for Shared Work benefits for that week.

The employee may be eligible to collect up to 26 weeks of Shared Work benefits, but the total amount of the Shared Work benefits and regular unemployment insurance benefits you receive cannot exceed your total award.

During periods of high unemployment, the employee may be eligible for more than 26 weeks of Shared Work benefits.

## **FOR FURTHER INFORMATION**

If you have questions or would like an application for the Shared Work program, please call the “Shared Work Unit” at 602-771-8956. You can also visit the website [www.azdes.gov](http://www.azdes.gov).

Equal Opportunity Employer/Program • Under Titles VI and VII of the Civil Rights Act of 1964 (Title VI & VII), and the Americans with Disabilities Act of 1990 (ADA), Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Title II of the Genetic Information Nondiscrimination Act (GINA) of 2008, the Department prohibits discrimination in admissions, programs, services, activities, or employment based on race, color, religion, sex, national origin, age, disability, genetics and retaliation. The Department must make a reasonable accommodation to allow a person with a disability to take part in a program, service or activity. For example, this means if necessary, the Department must provide sign language interpreters for people who are deaf, a wheelchair accessible location, or enlarged print materials. It also means that the Department will take any other reasonable action that allows you to take part in and understand a program or activity, including making reasonable changes to an activity. If you believe that you will not be able to understand or take part in a program or activity because of your disability, please let us know of your disability needs in advance if at all possible. To request this document in alternative format or for further information about this policy, contact your local office; TTY/TDD Services: 7-1-1. • Free language assistance for DES services is available upon request. • Ayuda gratuita con traducciones relacionadas a los servicios de DES está disponible a solicitud del cliente.

## **ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

# **SHARED WORK INFORMATION FOR EMPLOYERS**

This pamphlet gives general information about the Shared Work Unemployment Compensation Program