



Arizona's  
Shared Work Program

# Employer Handbook



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DEPARTMENT OF ECONOMIC SECURITY

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*Your Partner For A Stronger Arizona*

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## Welcome to Arizona's Shared Work Program

Welcome to the Shared Work Program! This Employer Handbook provides instructions for the employer that will aid in effectively managing your Shared Work plan. Although this handbook is written and updated based on the most current state policies and procedures, there may be circumstances that are not specifically defined herein. If you have questions related to Shared Work that are not answered in this handbook, please contact the Shared Work Program using the information provided below.

Arizona Department of Economic Security  
Shared Work - Site Code 918B-5  
P.O. Box 6210  
Phoenix, AZ 85007-6210

Email: [USharedWork@azdes.gov](mailto:USharedWork@azdes.gov)  
Phone: (602) 771-8956  
Fax: (602) 253-4101 or  
(602) 253-4202

### Key Roles and Responsibilities

Now that your application for the Shared Work Program has been approved, you must designate an Employer Representative. The Employer Representative acts as a liaison between your employees and Shared Work Program staff. Your Employer Representative will also assist participating employees with their Unemployment Insurance claims for Shared Work benefits as well as matters related to your company's Shared Work plan.

The responsibilities of the Employer Representative are detailed below. Please have your designated Employer Representative read, sign and return the *Employer Representative Certification* form (SWP-1001) to the Shared Work Program **within 10 working days**. It is important to notify the Shared Work Program within 10 working days when a change in the Employer Representative is made.

#### ***Employer Representative***

Your company, through the Employer Representative, is responsible for the following:

- Signing and returning the original *Employer Representative Certification* form (SWP-1001A).
- Ensuring that participating employees review their roles and responsibilities as outlined in this handbook.
- Providing the *Arizona Initial Claim for Unemployment Insurance* application (UB-105), *Work History* (UB-130), and the *Shared Work Information for Employees* pamphlet (PAU-210) to participating employees.
- Reviewing the completed *Arizona Initial Claim for Unemployment Insurance* application (UB-105) and *Work History* form (UB-130), to ensure that they are complete, signed, and dated prior to submitting to the Shared Work Program.
- Submitting additional information as required. For example, if an employee marks "NO" to U.S. Citizen on the *Arizona Initial Claim for Unemployment Insurance* (UB-105),

they must provide their alien registration number. The Shared Work Program may require additional verification, such as a legible copy of the alien registration card (front and back).

- Completing and returning the bi-weekly *Shared Work Certification Lists* to the Shared Work Program by the due date indicated on the accompanying letters.
- Submitting a completed *Weekly Certification* (UB-106) for weeks that may qualify for regular Unemployment Insurance benefits.
- Informing the Shared Work Program when adding employees not included on the original submission to an existing plan by submitting a *Request to Add Employees to Approved Shared Work Plan* form (SWP-1002A) to the Shared Work Program.
- Informing the Shared Work Program when a correction is needed on a previous *Shared Work Certification List* by submitting a *Shared Work Discrepancy* form (SWP-1003A).
- Providing the *Name and Address Change Request* form (UB-108) to participating employees when applicable and instructing employees to send the form to the designated address that is listed on the form.
- Providing the *Agreement for Direct Deposit* form (UIB-1091A) to participating employees who desire to enroll in direct deposit and instructing employees to send the form to the designated address that is listed on the form.

### ***Employee Responsibilities***

Shared Work participants are responsible for the following:

- Reviewing the pamphlet, *Shared Work Information to Employees* (PAU-210).
- Completing the *Arizona Initial Claim for Unemployment Insurance* application (UB-105) and the *Work History* form (UB-130) and submitting the signed application and form to the Employer Representative who will send to the Shared Work Program. When completing *Work History*, employees are to include all work history for the past two (2) years including a second job (with actual last day worked), and any employment in other states.
- Being able and available for all work offered by the Shared Work employer in order to remain eligible for Shared Work benefits.
- Accurate reporting of all gross earnings and hours worked (including paid sick, vacation, and holiday hours) for each week claimed. Inaccurate reporting may establish unnecessary claim issues, inaccurate payments, or delay the payment of benefits.
- Working with the designated Employer Representative to resolve issues related to their Shared Work claim unless directed otherwise by the Shared Work Program. Employees should not contact the Unemployment Insurance Claims Call Centers or any field offices while participating in the Shared Work Program.
- Submitting a completed *Weekly Certification* (UB-106) for weeks that may qualify for standard Unemployment Insurance benefits.

### ***Shared Work Program Responsibilities***

The Shared Work Program is responsible for:

- Issuing the determination on Shared Work plan applications.
- Issuing the determination on Shared Work participant (employee) eligibility.
- Processing all Shared Work employer/employee forms and documents.
- Issuing non-monetary and overpayment decisions on Shared Work claims.
- Providing Shared Work Program technical assistance and training.
- Providing courteous and accurate information regarding the Shared Work Program.
- Providing dependable customer service.

## **Unemployment Insurance Application Process**

### ***Employee Unemployment Insurance Application***

Employees included in the Shared Work plan are potentially eligible for Shared Work benefits once an application is filed and the employer is approved for the Shared Work program. The Employer Representative distributes the *Arizona Initial Claim for Unemployment Insurance* application (UB-105) and *Work History* form (UB-130) to the participating employees for completion. After the forms are completed, the Employer Representative returns the forms to the Shared Work Program.

Eligible individuals may participate in training to enhance job skills, including employer sponsored training or worker training funded under the Workforce Investment Act of 1998, if the training is approved by the department.

Once an Unemployment Insurance application is received by the Shared Work Program, the claim is processed and a benefit year is established, if the participating employee meets eligibility requirements. The participating employee will be mailed a *Certificate of Understanding* (UB-099) along with additional information related to the claim and the overall Unemployment Insurance process. The participating employee must first read the contents of the booklet, *A Guide to Unemployment Insurance Benefits* booklet (PAU-007) prior to signing the *Certificate of Understanding* (UB-099). The participating employee must return the signed certificate to the address shown on the form no later than the indicated due date. Failure to return the *Certificate of Understanding* (UB-099) may result in a delay of benefits.

### ***Wage Statement***

Participating employees will receive a Wage Statement in the mail that details the wages reported by the employer(s) during the Base Period of the claim (explained in the booklet, *A Guide to Unemployment Insurance Benefits*). The Wage Statement will also show the weekly and total amount of benefits that may be received if all eligibility requirements are met during the benefit year. The benefit year is the one-year period beginning with the Sunday of the week in which the claim for benefits was initiated.

It is important that the participating employee examines the Wage Statement in its entirety. The Wage Statement will include the earnings of record reported under the Social Security number that was provided on the Unemployment Insurance application. If the employee determines that the Wage Statement is inaccurate, they may file a *wage protest*. It is recommended that a wage protest is filed within ten (10) working days of the date shown on the Wage Statement.

If the employee receives benefits based on wages that they did not earn, they will be liable for repayment and may incur additional penalties. It is important to continue reporting employee hours to the Shared Work Program even if a wage investigation action is pending.

### ***Payment Methods***

When the participating employee applies for benefits, they will automatically be enrolled in the Electronic Payment Card program. If the participating employee has earned enough wages to qualify monetarily for Unemployment Insurance benefits, they should receive an Electronic Payment card by mail within a week after the Unemployment Insurance application is processed. Bank of America will mail a welcome package to the participating employee that includes an Electronic Payment Card, activation instructions, and various introductory materials. The receipt of the card does not guarantee that the recipient will receive benefits. Please note that Electronic Payment card questions should be directed to Bank of America.

Participating employees may also elect to have their Unemployment Insurance benefits deposited into their own personal bank account. To have Unemployment Insurance benefits direct deposited, the employee completes the *Agreement for Direct Deposit* form (UIB-1091A) which is available online at [www.azui.com](http://www.azui.com), or from the Employer Representative. Employees must send the form to the designated address listed on the form.

### ***Overpayments***

If the Shared Work Program determines that a participating employee may have been overpaid, the participating employee will be notified in writing. If an overpayment decision is made, the employee is responsible to repay the amount indicated.

### ***Underpayments***

If a participating employee believes that he or she has been underpaid, they should contact their designated Employer Representative. The Employer Representative should complete the *Shared Work Discrepancies* (SWP-1003A) and fax it to the Shared Work Program. When appropriate, the Shared Work Program will issue a supplemental benefit payment.

### ***Nonpayment***

An employee may not be eligible for Shared Work benefits for the following reasons:

- Normal work hours are reduced less than 10% or more than 40%.
- Employee refused work offered by the Shared Work employer.
- Employee is not available for work such as when the employee is on unpaid leave.

- Employee has received 26 weeks of Shared Work benefits within a benefit year.
- Employee cannot establish a valid Arizona State Unemployment Insurance claim because he/she has worked less than six (6) months with this employer; and has not received \$1,500.00 in wages.
- Employee is denied benefits due to a prior decision issued by the Department of Economic Security.
- The Employer's Shared Work plan has expired.
- Employee's Unemployment Insurance claim has expired.

### ***Appeal Rights***

If a participating employee is denied Unemployment Insurance benefits or receives a *Determination of Overpayment* (UB-272), the appeal rights will be printed on the determination. The participating employee must file the appeal within the statutory time period shown on the determination. Appeals filed late will generally be allowed only in cases of departmental error or misinformation, or failure by the post office to properly deliver the determination.

## **Shared Work Eligibility**

### ***Reduction in Hours***

The participating employee may be eligible for Shared Work benefits for each week in which the normal weekly hours of work are reduced by at least ten percent (10%) but no more than forty percent (40%). Normal weekly hours of work are defined as the number of hours in a week that the claimant normally would work for the shared work employer or 40 hours, whichever is less.

### ***Able and Available Requirements***

A participant is not required to conduct an active search for work, or apply for or accept work other than from the Shared Work employer. The participating employee must be able and available to work additional hours of work or full time for the Shared Work employer. Working for an additional employer does not affect the employee's eligibility for Shared Work benefits unless it impacts the availability or ability to accept work from the Shared Work employer.

Employees may not participate concurrently in more than one Shared Work plan. As with regular Unemployment Insurance benefits, Shared Work participants are required to serve a waiting week. They may not receive Shared Work benefits and regular Unemployment Insurance benefits for the same week. Shared Work claimants are not required to file weekly claims. Instead, weekly claim information is reported to the Shared Work Program via the *Shared Work Certification List* that is submitted by the Employer Representative.

## Shared Work Certification

### ***Shared Work Certification List***

The *Shared Work Certification List* is mailed to the attention of the Employer Representative on a bi-weekly basis (every two weeks). A cover letter is attached to the list with instructions on completing the form. The list displays all of the individuals on the approved Shared Work plan and spans a two-week time period (two week-ending dates). The Employer Representative records actual hours for which the individual (claimant) is paid for work (compensated) including sick/personal and annual/vacation pay. This data is recorded under the column titled "COMP HOURS." The Employer Representative will indicate whether or not the claimant has refused an offer of work, any change in employee status, and the effective date of the change. The Employer Representative must return the completed certification to the Shared Work Program by the due date indicated. Lists returned after 14 days may result in delayed Shared Work benefits to participating employees.

### ***Other Lists and Letters Provided***

In addition to the *Shared Work Certification List*, there may be additional lists and letters sent to the employer such as plan expiration, plan renewal, or various reasons for non payment. It is important that the Employer Representative review each letter and follow the instructions provided.

### ***When Hours are Reduced Greater than 40% or Less than 10%***

When hours are reduced greater than 40% or less than 10%, the employee is no longer eligible for Shared Work benefits. However, it may be possible for the employee to receive regular Unemployment Insurance benefits if the employee's gross wages are less than the weekly benefit amount. If they are receiving regular benefits they will be required to submit a Work Search for each week on a Weekly Claim for Unemployment Insurance Benefits (UB-106-A) form and submit it to the Shared Work Program. 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 at least three work search contacts during the week.

### ***Correcting a Certification***

Occasionally, it may be necessary to correct a previously filed *Shared Work Certification List*. To do so, simply fill out the *Shared Work Discrepancies* form (SWP-1003A) and submit it to the Shared Work Program.

### ***Employee Status Change***

Participating employees are removed from the Shared Work Plan when the employee separates from the Shared Work employer. Reasons for separation include quitting, discharged, and laid off more than four (4) weeks without a definite return to work date. Changes in employee status must be reported on the *Shared Work Certification List*.

## Termination of a Shared Work Plan

### ***Cancelling a Plan***

A Shared Work employer may cancel their Plan by sending written and signed notification to the Shared Work Program. It is important to include the plan number and effective date.

### ***Plan Expiration***

A Shared Work Plan is valid for one (1) year and may be renewed at the request of the employer. If a plan has expired and is not renewed, the plan will be considered expired.

### ***Revoking a Shared Work Plan***

The Shared Work Program may revoke a Shared Work plan for good cause, which includes, but is not limited to an employer's failure within ten (10) working days to:

- Report a change in the Employer's EIN.
- Report an impending sale or transfer of the business or company.
- Report a change in the designated Employer Representative.
- Provide wage and hour reports, documents, or other information needed by the Shared Work Program to decide if the employer or employee(s) is eligible for participation in the Shared Work Program.
- Notify the Shared Work Program of any discrepancies.

The Shared Work Program will specify the effective date and reasons for revoking the plan in the revoke order.

## Frequently Asked Questions

### ***What is the difference between Shared Work and regular Unemployment Insurance benefits?***

Shared Work benefits are calculated as a portion of Unemployment Insurance benefits. The Shared Work benefit is calculated by multiplying the percentage of work hour reduction with the weekly benefit amount (see "Shared Work Benefit Calculation Examples" on page 9).

### ***Is there a waiting week in the Shared Work Program?***

Yes. The first week of Shared Work during which the participating employee meets all eligibility requirements is called a waiting week. The waiting week is not a payable week. Employees must file a weekly claim and meet eligibility requirements to receive their waiting week credit. One waiting week per benefit year must be served prior to the payment of benefits. If a Shared Work employee has already served a waiting week on the current benefit year, the employee does not serve another waiting week until he or she establishes a new benefit year.

### ***Why are employees only eligible to receive 26 weeks of Shared Work benefits when my employer plan is effective for one year?***

Generally, eligible employees do not claim the 26 weeks of Shared Work UI benefit in succession. The one year time period for the employer plan allows an employer the flexibility of

utilizing the program throughout the year when business has temporarily been reduced. The program also affords the ability to quickly discontinue usage when business conditions improve and full time work is available.

***What is the minimum and maximum number of hours that my employees can work during a week and still be eligible for Shared Work benefits?***

The participating employee may be eligible for Shared Work benefits for each week in which his/her normal weekly hours of work are reduced by at least 10 percent (10%) but no more than 40 percent (40%). An employee who normally works 40 hours per week must work no more than 36 hours and no less than 24 hours to be eligible for Shared Work benefits.

For any week that the employee is not eligible for Shared Work benefits due to a reduction in hours outside of the Shared Work criteria, an individual *Weekly Certification* (UB-106) may be filed to have the claim processed as a regular Unemployment Insurance week. Please note that gross earnings must be less than the weekly benefit amount in order to receive monetary benefits under regular Unemployment Insurance.

***What if I don't need the Shared Work Program once my plan has been approved?***

Employer participation in the Shared Work Program is strictly voluntary. An employer can discontinue an active plan at any time.

***Is there a limit on the number of approved Shared Work Plans that an employer can have?***

No. An employer may have one or more plans in effect at the same time to cover separate employees.

***Does being approved for a previous plan guarantee approval for subsequent plans?***

No. Approval of one plan does not guarantee approval of a subsequent plan. Each application will be reviewed and determinations will be based on the merit of the individual application.

***If all or some of my employees are covered by a collective bargaining agreement, am I required to discuss this program with the union?***

Yes. By law, the collective bargaining agent must agree and sign the application or the *Request to Add Employee(s) to Approved Shared Work Plan* (SWP-1002A).

***What should be listed as COMP HOURS on the Shared Work Certification list?***

A compensated hour is basically a paid hour. Compensated hours include any combination of paid work, sick, holiday, or vacation hours.

***As an employer, how will the Shared Work Program affect my UI Tax Account?***

Shared Work benefits are charged against reimbursement and experience-rated employer accounts in the same manner as regular benefits are charged. However, any experience-rated employer having a negative reserve in his/her 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.

## Shared Work Benefit Calculation Examples

### Normal Working Hours = 40

This example assumes that the employee normally works 40 hours per week and has a regular Unemployment Insurance Weekly Benefit Amount of \$240.

Hours Worked	Percentage Reduction	Weekly Benefit
36.5	9%	Not eligible for Shared Work
36	10%	\$24.00
32	20%	\$48.00
28	30%	\$72.00
24	40%	\$96.00
23.6	41%	Not eligible for Shared Work

### Normal Working Hours = 32

This example assumes that the employee normally works 32 hours per week and has a regular Unemployment Insurance Weekly Benefit Amount of \$240.

Hours Worked	Percentage Reduction	Weekly Benefit
29.1	9%	Not eligible for Shared Work
28.8	10%	\$24.00
25.6	20%	\$48.00
22.4	30%	\$72.00
19.2	40%	\$96.00
18.9	41%	Not eligible for Shared Work