

Work Sharing Employer Requirements and Criteria

The Work Sharing Unemployment Insurance program allows for the payment of benefits to individuals whose wages and hours have been reduced. This program is considered a temporary and practical alternative to layoffs.

Employers must submit a written and signed *Work Sharing (WS) Unemployment Insurance Plan Application*, DE 8686, and meet the following requirements to participate in California's Work Sharing program:

- Any employer who has a reduction in production, services, or other conditions should consider the Work Sharing program for their employees as an alternative to temporary or permanent layoffs and a way to retain your already trained and skilled workforce.
- At least 10 percent of the employer's regular permanent workforce or a unit of the workforce, and at least two regular employees, must be affected by a reduction in the wages and hours worked. Temporary, seasonal, leased, and intermittent employees cannot participate in the Work Sharing Plan.
- The reduction in weekly hours worked must be at least 10 percent and no more than 60 percent.
- The plan application identifies participating employees with their full names, Social Security numbers, and other information required by the Department.
- The health benefits of employees must be continued under the same terms and conditions as prior to the reduction in hours and wages or to the same extent as other employees not participating in the Work Sharing Plan. All reductions in health benefits must be applied equally to employees participating in the Work Sharing Plan and to those not participating in the plan during the duration of the plan.
- The retirement benefits of employees must be continued under the same terms and conditions as prior to the reduction in hours and wages or to the same extent as other employees not participating in the Work Sharing Plan. All reductions in retirement benefits must be applied equally to employees participating in the Work Sharing Plan and to those not participating in the plan during the duration of the plan.
- The collective bargaining agent must approve the Work Sharing Plan by signing the application.
- The employer must agree to furnish the Employment Development Department with any necessary reports during application of the plan as well as during the duration of an approved Work Sharing Plan.
- The employer must notify the employees prior to reducing the usual work hours and wages of the intent to participate in the Work Sharing program. If not, the employer must explain why the employees cannot be notified in advance.
- The employer must attest that participation in the program is consistent with their employment obligations under federal and state laws.
- Corporate officers or major stock holders with investment in the company are not allowed to participate in the Work Sharing program pursuant to state law.

Under federal and state laws, the employer must meet the criteria for the Work Sharing program:

- ✓ Must be a legally registered business in California.
- ✓ Must have an active EDD employer account number.