



# Work Sharing Program: Avoiding the Cost of Layoffs

# Work Sharing is a Win-Win for Employers and Employees



**When times get tough, this is when employers typically cut costs, reduce prices, postpone new investments, and layoff staff. What if there was another option?**

For California employers, the EDD's Work Sharing program can help employers keep their skilled employees.

It's now fast, simple, and flexible to participate. Employers cut hours and wages while we pay partial unemployment benefits. Work Sharing may positively affect employee morale and loyalty.

When the economy improves you won't have to hire and train new workers. It also has less impact on your unemployment taxes than a full layoff.

According to the [Harvard Business Review](https://hbr.org/2018/05/layoffs-that-dont-break-your-company) (hbr.org/2018/05/layoffs-that-dont-break-your-company), companies that shed workers lose the time invested in training them as well as their networks of relationships and knowledge about how to get work done. Furthermore, after layoffs occur, a majority of companies suffer declines in profitability for up to the next three years. And for those employees that survive a layoff, a 20% decline in job performance is typically experienced.

Help us spread the word to the employer community about the program!

To find more information and encourage employers to apply, visit the [Work Sharing Program](https://edd.ca.gov/WorkSharing) (edd.ca.gov/WorkSharing).

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# What is the Work Sharing program?

This program allows for the payment of unemployment benefits to individuals whose wages and hours have been reduced by 10 to 60 percent.

## For example:

Instead of laying off five workers, employers can reduce the schedules of 25 workers by 20 percent. These employees would be eligible for unemployment benefits to supplement lost wages.

	25 Employees	Layoffs	Schedule	Workforce Reduction
<b>Without Work Sharing</b>		 <b>x5</b>	 <b>Reduced 100%</b>	 <b>-200 Hours</b>
<b>With Work Sharing</b>		 <b>x0</b>	 <b>Reduced 20%</b>	 <b>-200 Hours</b>

In this scenario, each employee works a 5-day workweek and is paid \$1,000. If their workweek is reduced to 4 days, that is a 20 percent decrease in wages and they would be paid \$800. In addition to this partial paycheck, we would pay unemployment benefits equal to 20 percent of what they would qualify for as if they were totally unemployed. If the employee's weekly unemployment benefit amount is \$450, which ranges between \$40 and \$450, that's \$90 paid in unemployment benefits.

### Weekly Pay

$$\begin{array}{r}
 \text{\$1,000} \\
 \text{\textbf{\$1,000}}
 \end{array}
 - \text{20\% Schedule Reduction} = \text{\$800} + \text{\$90 Unemployment Benefits} = \text{\textbf{\$890}}$$

As with regular unemployment benefits, the Work Sharing program does not fully cover lost wages, but it does help avoid financial hardship. When your business recovers, your employees can return to their regular work schedule.

## Eligibility Checklist

To qualify, employers must meet the following requirements:

- Legally registered business in California.
- Have an active California Employer Account Number.
- A minimum of 2 employees, comprising at least 10 percent of the employer's regular workforce or a unit of the workforce.
- Must be affected by a reduction in wages and hours worked. The reduction must be at least 10 percent, not to exceed 60 percent.
- The application identifies participating employees with their full names, Social Security numbers, and other information required.
- The retirement and health benefits of employees must continue 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 program. All reductions in retirement benefits must be applied equally to employees participating in the Work Sharing program and to those not participating during the duration of the program.
- Any collective bargaining agent must approve the Work Sharing program by signing the application.
- Provide all necessary reports during the application process as well as during the duration of the Work Sharing program.
- Notify employees of your intention to participate in the Work Sharing program before reducing their usual work hours and wages. If not, you must explain why the employees cannot be notified in advance.
- Show that employment obligations are consistent among employees while participating in the program and adhere to federal and state laws.
- Corporate officers or major stocker holders who have a significant investment in the company cannot participate in the Work Sharing program.

## Resources



This next section includes available resources to help strengthen California employer's understanding of the Work Sharing program.

You can help spread the word about the program by frequently communicating about it on your organization's internal and social media platforms. This is an opportunity for you to highlight how the program could be beneficial to California employers and showcase your support to them during difficult economic times.

The charts on the following pages include sample messages for you to use when talking about the program to employers, along with recommended visual assets to support your communications. Feel free to adapt this content to best serve your organization and align with your brand guidelines.







## Sample Messages:

Platform	Sample Message Copy	Work Sharing Toolkit Visual Asset
<p><b>Newsletter or internal message</b></p>	<p>Are you a California employer thinking about layoffs? Instead, try the <a href="http://edd.ca.gov/WorkSharing">Work Sharing Program</a> (edd.ca.gov/WorkSharing) and keep your skilled employees. It's fast, simple, and flexible to participate in. You cut hours and wages while EDD pays partial unemployment benefits. Work Sharing may positively affect employee morale and loyalty. When the economy improves, you won't have to hire and train new workers. It also has less impact on your unemployment taxes than a full layoff. Join employers across the state and give Work Sharing a try. It's a win-win.</p>	 <p><a href="#">Download Work Sharing Image Here</a></p>
<p><b>Training or Presentation Content</b></p>	<p><b>Script:</b></p> <p>Thinking about layoffs? Instead, participate in the EDD's Work Sharing program, and retain your skilled employees. If you're thinking of reducing your workforce by up to 60 percent, you can instead cut hours and wages while EDD pays partial unemployment benefits.</p> <p>Avoid the cost of hiring and training new employees when your business or the economy improves.</p> <p>This program has less impact on your unemployment taxes than a full layoff, and it may positively affect employee morale and loyalty.</p> <p>It's fast, simple, and flexible to participate.</p> <p>Join California employers across a variety of industries that support Work Sharing as an alternative to layoffs.</p> <p>Learn more and apply at <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a>.</p>	 <p><a href="#">Download Work Sharing Toolkit PowerPoint Slide</a></p>

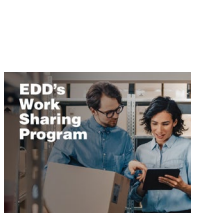


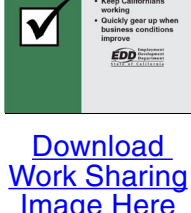




## Sample Messages: Post 1





Platform	Sample Message Copy	Work Sharing Toolkit Visual Asset
<p><b>Facebook</b></p>	<p>Employers, thinking about layoffs? The @CaliforniaEDD Work Sharing program can help you avoid layoffs, cut your business costs, and still keep trained employees.</p> <p>Learn more: <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a></p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p><a href="#">Download Work Sharing Image Here</a></p> <p><a href="#">Download Work Sharing Image Here</a></p>
<p><b>Instagram</b></p>	<p>Employers, thinking about layoffs? The @CA_EDD Work Sharing program can help you avoid layoffs, cut your business costs, and still keep trained employees.</p> <p>Apply for Work Sharing with the link in bio.</p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p><a href="#">Download Work Sharing Image Here</a></p> <p><a href="#">Download Work Sharing Image Here</a></p>
<p><b>Twitter</b></p>	<p>Employers, thinking about layoffs? The @CA_EDD Work Sharing program can help you avoid layoffs, cut your business costs, and still keep trained employees.</p> <p>Apply for Work Sharing: <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a></p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p><a href="#">Download Work Sharing Image Here</a></p> <p><a href="#">Download Work Sharing Image Here</a></p>
<p><b>LinkedIn</b></p>	<p>Employers, thinking about layoffs? The @Employment Development Department Work Sharing program can help you avoid layoffs, cut your business costs, and still keep trained employees.</p> <p>Apply for Work Sharing: <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a></p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p><a href="#">Download Work Sharing Image Here</a></p> <p><a href="#">Download Work Sharing Image Here</a></p>



## Sample Messages: Post 2

Platform	Sample Message Copy	Work Sharing Toolkit Visual Asset
<p><b>Facebook</b></p>	<p>If your business is facing a temporary setback and you're thinking about layoffs, the @CaliforniaEDD Work Sharing program can help.</p> <p>Apply for Work Sharing: <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a></p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 
<p><b>Instagram</b></p>	<p>If your business is facing a temporary setback and you're thinking about layoffs, the @CA_EDD Work Sharing program can help.</p> <p>Apply for Work Sharing with the link in bio.</p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p data-bbox="1598 643 1776 727"><a href="#">Download Work Sharing Image Here</a></p>  <p data-bbox="1808 716 1986 800"><a href="#">Download Work Sharing Image Here</a></p>
<p><b>Twitter</b></p>	<p>If your business is facing a temporary setback and you're thinking about layoffs, the @CA_EDD Work Sharing program can help.</p> <p>Apply: <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a></p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p data-bbox="1629 1040 1959 1109"><a href="#">Download Work Sharing Image Here</a></p>
<p><b>LinkedIn</b></p>	<p>If your business is facing a temporary setback and you're thinking about layoffs, the @Employment Development Department Work Sharing program can help.</p> <p>Apply for Work Sharing: <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a></p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p data-bbox="1629 1341 1959 1409"><a href="#">Download Work Sharing Image Here</a></p>

## Sample Messages: Post 3

Platform	Sample Message Copy	Work Sharing Toolkit Visual Asset
<b>Facebook</b>	<p>For California employers, the @CaliforniaEDD Work Sharing program can help you avoid the cost of layoffs, keep great employees, and be able to recover faster when business conditions improve.</p> <p>Apply for Work Sharing: <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a></p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p><a href="#">Download Work Sharing Image Here</a></p> <p><a href="#">Download Work Sharing Image Here</a></p>
<b>Instagram</b>	<p>For California employers, the @CA_EDD Work Sharing program can help you avoid the cost of layoffs, keep great employees, and be able to recover faster when business conditions improve.</p> <p>Apply for Work Sharing with the link in bio.</p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p><a href="#">Download Work Sharing Image Here</a></p>
<b>Twitter</b>	<p>For California employers, the @CA_EDD Work Sharing program can help you avoid the cost of layoffs, keep great employees, and be able to recover faster when business conditions improve.</p> <p>Apply for Work Sharing: <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a></p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p><a href="#">Download Work Sharing Image Here</a></p>
<b>LinkedIn</b>	<p>For California employers, the @CaliforniaEDD Work Sharing program can help you avoid the cost of layoffs, keep great employees, and be able to recover faster when business conditions improve.</p> <p>Apply for Work Sharing: <a href="http://edd.ca.gov/WorkSharing">edd.ca.gov/WorkSharing</a></p> <p>#CAEmployers #BusinessOwner #WorkSharing</p>	 <p><a href="#">Download Work Sharing Image Here</a></p>

## Infographics

Infographics are great for turning complicated concepts into eye-catching, easy-to-remember visuals.

Learn and share how the Work Sharing program offers many benefits to qualifying Californians. Print and post them in common areas or download and post them on your company's internal and external websites.





# The Cost of Layoffs

Many employers turn to layoffs to quickly decrease business costs to get through a tough time. But really, the future long-term effect can be more costly.

## The Effects Can Last Generations



Losing a job causes decreased long-term earnings, health problems, **and more.**

## Creates Future Costs



Once demand picks up again, employers **expend valuable resources** on significant search, hiring, and training costs.

## Lose Time



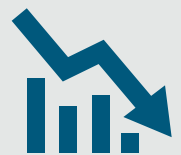
Employers lose the time invested in training employees, as well as their networks of relationships and knowledge about how to **get work done.**

## Lose Profits



Companies suffer declines in profitability for up to the **next three years.**

## Job Performance Suffers



For employees that survive a layoff, a 20% decline in job performance is typically experienced.

[The Hamilton Project](http://hamiltonproject.org/papers/encourage_work_sharing_to_reduce_unemployment) (hamiltonproject.org/papers/encourage\_work\_sharing\_to\_reduce\_unemployment)  
[Harvard Business Review](http://hbr.org/2018/05/layoffs-that-dont-break-your-company) (hbr.org/2018/05/layoffs-that-dont-break-your-company)



# Work Sharing Programs Can Help

In tough economic times, the Work Sharing program can help employers keep skilled employees. When the economy improves, they won't have to hire and train new workers. Keep Californian's working with Work Sharing! The [Work Sharing Program](http://edd.ca.gov/WorkSharing) ([edd.ca.gov/WorkSharing](http://edd.ca.gov/WorkSharing)) can help alleviate these costs of layoffs.

## Win-Win for Everyone



Businesses avoid the cost of recruiting, hiring, and retraining **while assisting their workforce** through a difficult unprecedented time.

## HR Recommended



The Society for Human Resource Management and the California Chamber of Commerce **encourage employers use Work Sharing programs** instead of layoffs.

## Available Nationwide



Nearly **70%** of the US workforce have access to Work Sharing programs.

## Strengthens the Economy



Work Sharing could reduce the number of monthly dismissals by 10%. This would have the same effect on employment as **creating 200,000 jobs a month.**

[US Department of Labor, 2019 Extensions and Special Programs Report \(PDF\)](https://www.dhs.gov/sites/default/files/2019/04/US-Department-of-Labor-2019-Extensions-and-Special-Programs-Report-PDF.pdf) ([oui.doleta.gov/unemploy/pdf/uilawcompar/2019/special.pdf#page=8](https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/special.pdf#page=8))

[American Enterprise Institute](https://www.aei.org/article/work-sharing-could-work-for-us/) ([aei.org/article/work-sharing-could-work-for-us/](https://www.aei.org/article/work-sharing-could-work-for-us/))

[Society for Human Resource Management](https://www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/avoid-costly-mistakes-in-layoffs.aspx) ([shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/avoid-costly-mistakes-in-layoffs.aspx](https://www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/avoid-costly-mistakes-in-layoffs.aspx))

[California Chamber of Commerce](https://hr.california.calchamber.com/hr-library/benefits/unemployment-insurance/work-sharing-program) ([hr.california.calchamber.com/hr-library/benefits/unemployment-insurance/work-sharing-program](https://hr.california.calchamber.com/hr-library/benefits/unemployment-insurance/work-sharing-program))

[California Employers Association](https://employers.org/blog/2020/03/26/default/saving-jobs-through-a-work-share-plan/) ([employers.org/blog/2020/03/26/default/saving-jobs-through-a-work-share-plan/](https://employers.org/blog/2020/03/26/default/saving-jobs-through-a-work-share-plan/))

## Testimonials

We know how valuable this program is to help employers keep great staff, avoid on-boarding costs, and keep their business going when times get tough.

But don't take our word for it, see what employers across the state have to say about this valuable program.





“Work Sharing has helped us keep key employees when we are slow, and has helped us get through the rough slow down without having to lay employees off. Work Sharing benefits us by being able to keep our employees employed and compensated when things get slow. They don’t quit and go elsewhere, which is great for us because we do not have to replace them and retrain new employees.”

– Paula S., Lormac Plastics, Inc.

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“This program helps keep union employees on when the jobs slow down.”

– Diane B., Southern Folger Contracting

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“The Work Sharing program has helped us keep all of our employees during the slower winter months. We have been using the program for several years and it is a huge benefit.”

– Monica G., Delta Marina

“Without the Work Sharing program, we would have had to lay off several employees. The EDD’s Work Sharing program has been an invaluable asset allowing us to retain our employees during economic slowdowns.”

– Tom J., A&M Welding

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“Work Sharing has helped retain the workforce, and helps minimize recruiting. It is nice to keep employees engaged while receiving partial benefits.”

– Melida C., Sonoma Tilemakers

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“It allowed us to keep our highly trained production and general office staff instead of laying them off. They were able to keep their benefits and get the benefits from the Work Sharing program to help supplement their income during down times.”

– Carolyn B., Focus 360 Inc.





“We started using the Work Sharing program during the Covid-19 pandemic, which provided some security for our firm and staff during a time of great economic uncertainty. We did not have to lay off a single employee but also did not have to bear the entire cost of keeping our people employed. In addition, it helped our employees feel that they were being cared for and the fact that their benefits remained intact was greatly appreciated. Work Sharing has provided us with the flexibility to manage the ups and downs of the business cycle without having to make any permanent changes to our staff. It provides additional compensation to employees in weeks when work is light but keeps our staff intact for when we need to ramp up again. It has allowed us to avoid temporary layoffs, which are costly for employees and bad for company morale, and also the costs of having to hire new employees when our workload increases again.”

– Lore S., Shannon-Leigh Associates LLC

“The Work Sharing program really helped us out during a period that construction had slowed down considerably. It worked out great for all of us – we kept a great crew and they still worked during a very slow period. It really is a good program.”

– Laura Z., Zeller Electric

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“This program is 100 percent effective in retaining employees. Work Sharing helps employers not have to lay off employees and then lose time and money on rehiring back those who are still available, or looking for employees to hire and train.”

– Katy K., Oxnard Family Circle



“We have used the program twice and at the beginning of the pandemic it was a life changing program that allowed us to stay in business and retain our employees.

We are a small contract manufacturing company with unique skills. We were able to provide security for our employees while we got hit with the pandemic and decrease in sales and revenue.

In addition, we extended the program to the 2nd year of the pandemic, and it kept our business afloat.

We realized the value of the Work Sharing employees (the human aspect) of all the work they put into this program. I spoke to many individuals working for the Work Sharing program who touched base with us and called us for errors or correction so they don't have to send back inaccurate or incomplete forms to us, as it would delay payment to our employees.

Many of the Work Sharing employees worked around the clock, including Saturday's and Sunday's. It was a crazy time and now we are starting to bounce back.

We retained our employees, got back on track and I can tell you that if we didn't have the Work Sharing program, we would have lost most of our employees. I can tell you that at some point most of our employees were working only 50% of the time.

Thank you so much for this wonderful program and supporting the Irvine team.”

– Judy A., Irvine Electronics, LLC



“Work Sharing gives our employees a sense of security knowing that if work is slow, they have a cushion. It gives us a sense of security knowing we can retain employees during the slow times.”

– Tracy M., Pioneer Electric



“The Work Sharing program has helped to keep employees, instead of layoffs. It's a good program for the State of California.”

– Lisa T., Global Electronic Mfg. Co. Inc.

“The EDD Work Sharing program has helped save our business. Our sales are extremely low, and we wouldn't be able to keep all our employees employed with the help of this program. With this program, our employees are able to stay employed without much interruption to their regular income, this is a huge benefit for them.”

– Pilar W., Louroe Electronics Inc.

## Educational Webinars

We offer no-cost webinars every other month to help employers learn about this valuable program.

Attend an online webinar to learn more about the program, and how to apply.

[Work Sharing Program Webinar Registration](https://edd.ca.gov/WorkSharing)

([edd.ca.gov/WorkSharing](https://edd.ca.gov/WorkSharing)).



# Helpful Links

Here are some quick links to resources to help strengthen your communications to California employers about the program.

- [The Work Sharing Program](http://edd.ca.gov/WorkSharing)  
(edd.ca.gov/WorkSharing)
- [Work Sharing Program: Alternative to Layoffs \(DE 8685\) \(PDF\)](http://edd.ca.gov/siteassets/files/pdf_pub_ctr/de8685.pdf)  
(edd.ca.gov/siteassets/files/pdf\_pub\_ctr/de8685.pdf)
- [Register for a Work Sharing Program Account](http://worksharing.edd.ca.gov/employer/s/login/SelfRegister)  
(worksharing.edd.ca.gov/employer/s/login/SelfRegister)
- [Work Sharing Information for Employees FAQs](http://edd.ca.gov/en/unemployment/FAQ_-_Work_Sharing_Information_For_Employees/)  
(edd.ca.gov/en/unemployment/FAQ\_-\_Work\_Sharing\_Information\_For\_Employees/)
- [Work Sharing Information for Employers FAQs](http://edd.ca.gov/en/unemployment/FAQ_-_Work_Sharing_Information_For_Employers/)  
(edd.ca.gov/en/unemployment/FAQ\_-\_Work\_Sharing\_Information\_For\_Employers/)

## How-to Guides:

- [A Guide For Work Sharing Employers \(DE 8684\) \(PDF\)](http://edd.ca.gov/siteassets/files/pdf_pub_ctr/de8684.pdf)  
(edd.ca.gov/siteassets/files/pdf\_pub\_ctr/de8684.pdf)
- [Work Sharing Employer: Create an Account \(PDF\)](http://edd.ca.gov/siteassets/files/unemployment/pdf/guide-1_work-sharing-employer_create-an-account.pdf)  
(edd.ca.gov/siteassets/files/unemployment/pdf/guide-1\_work-sharing-employer\_create-an-account.pdf)
- [Work Sharing Employer: Log in to Your Account \(PDF\)](http://edd.ca.gov/siteassets/files/unemployment/pdf/guide-2_work-sharing-employer_log-in-to-your-account.pdf)  
(edd.ca.gov/siteassets/files/unemployment/pdf/guide-2\_work-sharing-employer\_log-in-to-your-account.pdf)
- [Work Sharing Employer: Submit and Update Forms \(PDF\)](http://edd.ca.gov/siteassets/files/unemployment/pdf/guide-3_work-sharing-employer_submit-and-update-forms.pdf)  
(edd.ca.gov/siteassets/files/unemployment/pdf/guide-3\_work-sharing-employer\_submit-and-update-forms.pdf)
- [Work Sharing Employer: Link an Account \(PDF\)](http://edd.ca.gov/siteassets/files/unemployment/pdf/guide-4_work-sharing-employer_link-an-account.pdf)  
(edd.ca.gov/siteassets/files/unemployment/pdf/guide-4\_work-sharing-employer\_link-an-account.pdf)







## Questions?

For further information, contact:  
EDD Work Sharing Office  
PO Box 419076  
Rancho Cordova, CA 95741-9076

1-916-464-3300

Or visit [Work Sharing Information for Employers FAQs](https://edd.ca.gov/en/unemployment/FAQ_-_Work_Sharing_Information_For_Employers/)  
([edd.ca.gov/en/unemployment/FAQ\\_-\\_Work\\_Sharing\\_Information\\_For\\_Employers/](https://edd.ca.gov/en/unemployment/FAQ_-_Work_Sharing_Information_For_Employers/)).