

# UNEMPLOYMENT INSURANCE

## *An Alternative to Layoffs: Work Sharing*



## **Work Sharing Program**

As a temporary alternative to layoffs, the Employment Development Department's (EDD) Work Sharing program allows the payment of a prorated percentage of Unemployment Insurance (UI) benefits to workers whose hours and wages are reduced.

### **→ The Advantages of Work Sharing.**

The Work Sharing program can meet employers' needs due to its built-in flexibility:

- ✓ Minimizes or eliminates the need for layoffs and the accompanying hardships for employees.
- ✓ Enables a business to retain trained employees and avoid the expense of recruiting, hiring, and training new employees.
- ✓ Enables employees to be retained during a temporary slowdown so employers can quickly gear-up when business conditions improve.
- ✓ Assists employers who need to reduce their work force permanently to use Work Sharing as a phased transition to layoff.
- ✓ Allows affected employees to continue to work at reduced levels with an opportunity to find other employment before an expected layoff.
- ✓ Treats employees more equitably than layoffs, which place the burden of economic adjustments for an entire business on relatively few employees.
- ✓ Allows almost all types of business or industry to use the Work Sharing program.

### **→ Who can participate?**

Employers with a reduction in production, services, or other conditions who are looking for an alternative to layoffs may participate in the Work Sharing program.

Specific requirements include:

- ✓ A minimum of two 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 in wages and hours worked also must be at least 10 percent.

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### **→ How to participate**

To participate in the Work Sharing program, employers may write or call:

**EDD Special Claims Office  
P.O. Box 419076  
Rancho Cordova, CA 95741-9076  
(916) 464-3343**

Employers will be mailed a Work Sharing Plan Application and other general information. The Work Sharing Plan Application may be downloaded from the EDD Web site at [www.edd.ca.gov](http://www.edd.ca.gov). See the Forms and Publications tab, Unemployment Insurance – Forms and Publications, DE 8686.

### **→ What happens after the application is approved?**

The employer is sent a letter of approval, one mail claim packet for each participating employee, and a 10 week supply of weekly certification forms for each employee. During the weeks of reduced hours and wages, the employer issues the certification forms to the participating employees. All Work Sharing claims are filed by mail.

### **→ How is an employer charged?**

Employers are charged for Work Sharing UI benefits in the same manner as for regular UI benefits.

### **→ For additional information on other EDD programs and services, visit EDD's Web site at [www.edd.ca.gov](http://www.edd.ca.gov).**