

WORK SHARING

Layoff Aversion Program

WORK SHARING (also called Short-Time Compensation) provides an alternative to layoffs for employers faced with a temporary, non-cyclical decline in business due to decreased economic activity. Under this program, employers reduce participating employees' hours temporarily, and those employees receive partial unemployment insurance (UI) benefits.

PROGRAM REQUIREMENTS

Employers Must:

- ❖ Have **at least two employees** per affected unit included in the Work Sharing plan.*
- ❖ Reduce a participating employee's hours by **at least 10%, and no more than 60%**.
- ❖ **Reduce the percentage of hours equally** for participating employees in the same unit (meaning, all participating employees who work in the same unit must have their hours reduced by the same percentage). However, the percentage of hours reduced may vary from unit to unit.*
- ❖ Use Work Sharing for no more than **26 weeks** in a year per unit. Work Sharing cannot be used for seasonal or cyclical shutdowns.
- ❖ Be current with UI tax contributions.

*This requirement can be waived with good cause.

Employees Must:

- ❖ Ordinarily work 20 to 40 hours per week.
- ❖ Be employed full-time, part-time, salaried, or hourly to be eligible. Seasonal and temporary workers are not eligible.
- ❖ Have worked for the employer **for at least three months**.

EMPLOYER BENEFITS

- ❖ Retain experienced employees, keep employee morale high, and maintain productivity.
- ❖ Maintain stable staffing levels to allow business to return to normal operations when economic conditions improve. Save the expense and time of recruiting, hiring, and training new employees.
- ❖ Use Work Sharing for either the entire business or select unit(s).
- ❖ Reopen a business gradually by rehiring former employees at reduced hours.

EMPLOYEE BENEFITS

- ❖ Retain current job and continue to earn wages for hours worked.
- ❖ Receive partial UI benefits to supplement lost wages.
- ❖ Maintain health and retirement benefits (unless reduced/eliminated for the entire workforce).
- ❖ Remain exempt from some regular UI requirements, such as actively searching for work or accepting offers of suitable work other than from the Work Sharing employer.

ADDITIONAL INFORMATION

- ❖ Visit the Work Sharing webpage (labor.maryland.gov/employment/worksharing/) or contact ui.worksharing@maryland.gov.
- ❖ Complete the application (labor.maryland.gov/forms/uiwsapplication.pdf) and participant list (labor.maryland.gov/forms/uiwsparticipantlist.xlsx).
- ❖ Return both documents to ui.worksharing@maryland.gov 7-15 calendar days before your anticipated Work Sharing start date.