

## Work Sharing - A Smart Alternative to Layoffs Employer's Frequently Asked Questions

**What is Work Sharing?** It is a voluntary Maryland Division of Unemployment Insurance (DUI) program that provides an alternative to layoffs for employers confronted with a sharp, temporary decline in business. The Work Sharing (WS) program allows an employer to cut costs by equally dividing available hours of work among employees. While working reduced hours, the employees will also be eligible to receive partial Unemployment Insurance (UI) benefit payments based on their reduction in weekly work hours.

**When did the WS Program begin in Maryland?** In 1984, the Maryland General Assembly enacted legislation establishing the Work Sharing Unemployment Insurance Program. In July 2014, several modifications and changes to the 1984 law were enacted.

**How are benefits calculated for the WS Program?** If otherwise eligible, employees involved in an employer's approved WS Plan (Plan) will receive the percentage of their weekly UI benefit amount equal to the percentage of reduction of work hours for that week. You will continue to pay regular wages equal to the number of hours worked each week. For example, if an employer needs to reduce work hours by 30%, the employees will be eligible for 30% of their UI benefits.

**What are the business advantages when my business develops a WS Plan?** You:

- Keep your skilled, trained workers
- Reduce future hiring and retraining costs
- Avoid disruption in your business operations
- Maintain worker productivity and morale

**Will all of my employees be able to receive UI benefits?** In order to receive payment from UI, your employees must meet the eligibility requirements for regular Maryland UI benefits. Also, part-time employees must have been hired on a permanent part-time basis, not as temporary or seasonal workers. Workers may choose not to participate.

**If my company participates in WS, must I use it for my entire business or company?** No. WS can be used in one or more departments or units. You have the flexibility to choose the area(s) involved.

**Can there be different percentages of reduced hours for different employees in the same affected area?** No. All participating employees in an affected unit or department must be treated equally. However, the hours of employees of different affected departments or units may be reduced at a different percentage. This difference must be specified and addressed separately in the Plan.

**How many employees are required for approval of a Plan?** A minimum of two employees are required in order to “share the work.”

**Will my employees be required to look for work while they are working reduced hours?** No. Under the WS program, an employee is not required to be available or apply for other work or conduct an active search for work. Employees **must** be available to work all of the hours that you have available for them.

**If I have union employees, must the union approve the Plan?** Yes. If your employees have a collective bargaining agreement, the concurrence of the union’s bargaining agent must accompany the application.

**Are there ever any reasons my business or some of my employees cannot participate in WS?**  
Yes:

- WS is not intended to be a means for employers to address problems such as seasonal or cyclical shutdowns, inventory control, model changeovers, or equipment maintenance.
- WS is not intended to allow an employer to use UI benefits to supplement the payroll on a continued basis.
- WS does not allow employees to participate if they have worked for you less than three months.

**Who is responsible for monitoring employee participation and ensuring the Plan is being administered properly?** The employer is responsible for ensuring that employees in the same affected group work the same number of reduced work hours. The hours worked must correspond to the reduction in the approved plan. If the DUI discovers inconsistencies with weekly reported hours, the Plan will be reviewed and may be revoked.

**Do I need to do to apply for the WS program?** Yes, and you must:

- Notify your employees and the bargaining agents that you are applying for a Plan;
- Contact the Maryland DUI for an application;
- Complete and return the application and employee list within 7 days of your anticipated start date; and
- Be current with your UI tax contributions.

**When should I submit an application request?** You should submit your application 7- 15 days prior to the start date of your plan. Applications will not be reviewed that have start dates more than 15 days in the future.

The effective date of the plan is a Sunday no earlier than 7 days after the plan is submitted. The expiration date can be no more than 6 months after the effective date of the plan.

**How will I find out if my business has been approved?** A decision will be made within 7 days of receipt of the completed WS application. You will be notified of the final decision, usually by email. If approved, an UI representative will contact you with details.

**What happens if I am not approved?** If your Plan is not approved, your decision will provide the reason. All decisions are final and may not be appealed. You may submit a new application for consideration 15 days after the denial decision.

**Are there regulations required for approval and implementation of my Plan?** Yes, you will certify the following prior to your application being considered for approval:

- Without the Plan, I would be laying off workers. The reduced hours for all employees included in this Plan equals the hours that would be lost from the laid off workers.
- The employees' health insurance, medical insurance, retirement, or any other fringe benefit in effect prior to the WS application, will not be eliminated or diminished unless such benefits are eliminated or diminished for the entire work force.
- Additional employees will not be hired for or transferred from the affected group for the duration of the Plan.
- I have made the proposed Plan or a summary available to each affected employee or, if applicable, to the collective bargaining representative for inspection. A description of how the Plan was made available has been provided or, if notice of the Plan was not feasible, an explanation of why advance notice was not given has been provided.
- I am aware of the potential effects on my UI account (experience rated or reimbursable) if WS benefits are paid.
- I agree to furnish reports relating to proper conduct of the Plan and agree to allow the UI representative access to all records necessary to verify, monitor, and evaluate the Plan prior to approval and after approval.
- I understand that the Plan may be revoked if I am no longer in compliance.
- I agree that the terms and implementation of the Plan are consistent with any obligation I have under federal and state laws.
- I have read and understand the WS application.

**How are benefits paid to my employees?** Payments are issued through a debit card.

WS benefits will not be released to an employee/WS claimant until the employer and the claimant certify the hours worked.

The employer must submit the certifying information to the WS administrator (Administrator) on a weekly basis. This simple form requires the claimant's name, social security number, hours worked and signature.

**What happens if an employee has another job?** Hours or earnings from other employment are not used to calculate WS benefits, as long as the UI benefits are being paid under the WS plan (see below for exception).

**During my Plan, will my employees ever be eligible for regular UI benefits instead of WS benefits?** Yes, if during the week:

- There are not enough work hours available to meet the hours in the Plan;
- There are more work hours available than approved in the Plan; or
- **No** work is available.

When claimants are eligible for regular UI payments instead of WS payments, it may result in a total payment, a partial payment, or no payment for that week. During a week that regular UI benefits are potentially payable, earned wages from all employers will be used for the benefit calculation. If earnings exceed the claimant's weekly benefit amount, no benefits are payable for the week.

**What happens if there is paid time off during a WS week?** Paid time off is considered worked time for the purpose of calculating WS benefits when:

- The employee did some work during that week; and
- The employee worked all available hours.

**Can my plan be discontinued?** Yes.

- You may stop your plan at any time. However, there are procedures that must be followed if you restart your plan. You may return your employees to normal work hours and then return to WS status only one time during the Plan.
- At the discretion of the DUI, the Plan may be stopped if you are not following the agreement or if you are found to be out of compliance. The decision to rescind a plan is final and cannot be appealed.

**How will my employees receiving WS benefits affect my UI Tax Account?** WS benefits are charged against experience-rated employer accounts in the same manner as regular benefits are charged. For additional information please contact [rates@dllr.state.md.us](mailto:rates@dllr.state.md.us) or call 410-767-2413.

**How do I see if my company qualifies and request and application?**

Please email [ui.worksharing@maryland.gov](mailto:ui.worksharing@maryland.gov) and a representative will contact you.