

# Labor and Economic Opportunity

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LABOR AND ECONOMIC OPPORTUNITY / INSIDE LEO / UNEMPLOYMENT INSURANCE AGENCY

## Work Share Program

Unemployment Insurance Work Share



## HOW TO APPLY

The employer handles the entire Work Share process including the application for and payment of Work Share benefits. Applications and certifications are submitted online through the **Michigan Web Account Manager (MiWAM)**.



**For more information about Work Share:**

- Call 1-844-WORKSHR (967-5747) or the Office of Employer Ombudsman at 1-855-484-2636.
- [Work Share brochure](#)
- [Fact Sheet 156 - Work Share Program](#)

### What Is Work Share?

Even in a stable economy – things happen.

You may be struggling to make payroll and you may be thinking about laying off employees. The good news is, with Work Share, you may not have to.

Michigan's Work Share program allows you to keep your employees working with reduced hours, while employees collect partial unemployment benefits to make up a portion of the lost wages.

With Work Share, you can maintain operational productivity and hang on to your skilled workers.

### Advantages of Work Share

- Minimizes or eliminates the need for layoffs
- Enables a business to retain trained employees and avoid the expense of recruiting, hiring and training new employees
- Saves money and keeps your skilled workforce intact
- Can be used in almost all types of business or industry
- Employees are spared the hardship of full unemployment and receive more income than if they were fully laid off

### Who Can Participate?

Any employer who has a reduction in production, services or other conditions which will cause potential layoffs

Participating employees must:

- Be eligible for regular unemployment benefits
- Be full time employees
- Have earned a sufficient amount of wages in order to establish an unemployment claim and receive Work Share benefits.

Work Share does not apply to seasonal, temporary, or intermittent employment.

### Program Requirements

Employers must meet and maintain the following requirement in order to participate in the Work Share program:

- Unemployment taxes must be current
- Experience account balance must have "positive" reserve
- Must have paid wages for at least the previous 12 quarters
- Cannot hire new employees into the affected work unit nor transfer employees into the unit during a plan
- Cannot reduce the hours of work below the number approved under a plan
- Must agree to not have any layoffs in order to participate in Work Share.
- In lieu of layoffs employers must reduce employees hours from 15% to 45%.
- Must maintain participating employees' fringe benefits and obtain approval from collective bargaining representatives
- Employers may have two or more plans covering separate work units. All employees in the affected unit must participate in the plan. A plan must include a minimum of two employees. Plans may be approved for a period of up to 52 consecutive weeks.

### How Will Participating in Work Share Affect My Taxes?

Work Share benefits paid to workers in an affected unit covered by a Work Share plan will be charged against an employer's UI tax account in the same manner that regular unemployment insurance benefits are charged.

### Changing or Ending a Work Share Plan

- An employer may apply for approval to modify an approved Work Share plan, if the employer's circumstances change.
- An employer may terminate an approved Work Share plan by notifying the UIA through their MiWAM account.
- The UIA may terminate an approved plan for good cause.

### How Does It Work?



Here's an example: A company with 100 employees finds it necessary to lay off 20 people. With Work Share, the employer keeps all 100 employees on the payroll, but reduces their work week from five days to four days. This will achieve the desired 20 percent reduction in payroll. All 100 employees will continue to earn wages for four days and also are eligible for Work Share benefits for the fifth day. While weekly benefit rates vary from person to person, if a worker was fully unemployed, their weekly benefit amount would be, for example, \$362. Under Work Share, a worker whose hours were reduced by 20 percent would receive a \$72 Work Share benefit ( $\$362 \times 20\% = \$72$ ).

### What Information Will I Need to Apply?

- Describe the affected unit (or units) covered by the plan.
- Include the number of full or part-time workers in the unit and the percentage of workers in the unit covered by the plan.
- Identify each individual employee in the affected unit by name and social security number.
- Provide the employer's unemployment tax account number
- Provide an estimate of the number of workers who would have been laid off in the absence of the Work Share plan.

### Employee Weekly Hours

Employers are required to:

- Identify the usual weekly hours of work for employees in the affected unit.
- Provide the specific percentage by which hours will be reduced during all weeks covered by the plan. The percentage of reduction of hours must be no less than 15 percent and no greater than 45 percent.
- Specify if plan includes a period where employer normally provides no work (such as for a holiday or other plant closings, if applicable).

### **Details for a Work Share Plan**

- You may have more than one plan. Employers can have multiple plans within the organization if each plan covers two or more employees.
- Plans may be approved for a period of up to 52 consecutive weeks.
- You can renew the Work Share plan after it expires. When the plan expires, UIA will notify the employer to renew the plan by submitting a new application.
- You can implement a Work Share plan for one or more departments, shifts, or units. A unit consists of two or more employees. You have the flexibility to specify affected areas.
- You may return individuals or groups to work full time for a week or two and then continue the plan. You have the flexibility to stop or continue as needed.
- You may modify the original plan after reporting any changes to UIA via MiWAM. Substantial changes will be reevaluated for approval.
- The plan must include a description of how workers in the affected unit will be given advance notice of the employer's participation in the Work Share plan.

### **Employer Reporting Requirements**

- Employers will be required to provide employee information and bi-weekly unemployment certifications for the affected work unit. Participating employees are prohibited from providing unemployment certifications under the Work Share program.

### **HOW TO APPLY**

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