

The WorkShare Program

What is WorkShare?

Workshare is a layoff aversion program administered by the Maine Department of Labor to help businesses retain or bring back their trained workforce and keep workers connected to employment during temporary economic downturns.

Businesses can voluntarily reduce the hours of staff instead of laying them off, and employees can collect a partial unemployment benefit to help offset the loss of income due to reduced workhours.

For more information go to maine.gov/unemployment/workshare

How WorkShare works

For your company/business (example)

With layoffs, a 25% reduction in business would result in a 25% reduction of workforce



With WorkShare, you would retain 100% of your workforce, but they work 75% of their normal hours.



This avoids the costs of recruiting, hiring, and training new employees when business picks up. It also keeps your employees tied to the workforce.

On WorkShare, you will assign employees to 'units' which represent segments of your workforce and then reduce hours consistently across each segment or reduce hours across all employees.

For your employees (example)

Benefits are paid on a percentage equal to the hour reduction. If they have had their hours reduced by 25% that week, they will receive 25% of their normal weekly unemployment benefit.

Example:

If they earn \$600 a week, then lose their job, they may receive a \$354 weekly benefit.



On WorkShare, they will work 75% of their hours, earning \$450, plus 25% of their weekly benefit ($\$354 \times 25\% = \88).

$$\$450 + \$88 = \$538$$



WorkShare charges/costs

1. WorkShare benefits are charged to the experience rating of the WorkShare employer (lower than charges for a full layoff).
2. Direct reimbursement employers—those employers liable for payments in lieu of contributions, must reimburse the Unemployment Compensation Fund for the full amount of WorkShare benefits paid to their employees under an approved WorkShare plan (generally much lower cost than a full layoff).

Is my business/company eligible?

In order to participate in the WorkShare program, you must meet all of the eligibility requirements:

1. Reduction must impact all employees in the same “affected unit” equally during each eligible week.
2. The alternative layoff would have impacted at least 10% of the affected unit.
3. The reduction in hours is between 10% and 50% of usual weekly hours, based on maximum 40 hours per week.
4. Cannot be used to subsidize seasonal or intermittent employment.
5. Fringe benefits for WorkShare employees must be maintained at the same level as for employees not on WorkShare. Any impact must be the same whether in WorkShare or not and disclosed to employees.
6. Must obtain approval from collective bargaining agent, if applicable.
7. Must be current on wage reports and tax payments.

Differences from Regular Unemployment

For your employees, there are some key differences between filing for WorkShare benefits and regular unemployment insurance benefits.

1. WorkShare enrolled employees will not have to complete work search activities to receive weekly benefits.
2. Wages earned in a week through employment with the WorkShare employer, or any other employer, do not reduce the unemployment weekly benefit amount that the employee will receive.
3. The employee must be able and available to work their normally scheduled hours for the WorkShare employer.
4. Vacations or other approved time off: Must work some during the week (combined with paid approved time off or holiday pay) to still be eligible under WorkShare for that week.

How to enroll in WorkShare

Complete WorkShare application

- 1 Visit www.maine.gov/reemployment to begin the online application. You will need to confirm eligibility, create units, and get approval from the collective bargaining agent, if applicable. Affected employees must have received a summary or copy of the proposed WorkShare plan.

Submit your application

- 2 Once complete, submit your online application. We will review your WorkShare application for eligibility. Typically, this takes 2-4 business days.

MDOL will review your application

- 3 You will receive correspondence letting you know if your application has been approved or not.

Your responsibilities as an employer under the WorkShare program:

- You must notify employees.
- You must file weekly certifications to ensure that your employees receive their benefit payments.
- You must follow all of the eligibility requirements you agreed to when you submitted your application, including, but not limited to, consistently reducing hours for each unit.
- Your company/business must have a representative/point of contact your employees can go to with WorkShare questions. This representative will act as a liaison for your workforce and MDOL.

Questions?

If you or your employees have questions related to the WorkShare program, have your company's WorkShare representative reach out to the MDOL WorkShare team:

UCbenefitsWorkShare@maine.gov

207-623-6783

TTY users call Maine Relay 711