

Work sharing is an option the EDD is offering to employers to avoid layoffs during a slow-down. The Employer can elect the work share option when the employees have a reduction of at least 10% of their hours up to as much as 60% reduction.

The advantage of the Work Sharing Program is that the unemployment insurance will reduce some of the burden on the employer by assisting with wages paid. Since the employer had to reduce the employees' hours due to financial hardship, the EDD offsets the wages by offering partial unemployment insurance to the employee. Another advantage for work sharing is to avoid the cost of recruiting and hiring new employees once business begins to improve.

To qualify for the Work Sharing Program, the employer must meet all the following requirements: (pulled from edd.ca.gov)

- Be a legally registered business in California.
- Have an active California State Employer Account Number.
- At least 10 percent of the employer's regular workforce or a unit of the workforce, and a minimum of two employees, must be affected by a reduction in hours and wages.
- Hours and wages must be reduced by at least 10 percent and not exceed 60 percent.
- Health benefits must remain the same as before, or they must meet the same standards as other employees who are not participating in Work Sharing.
- Retirement benefits must meet the same terms and conditions as before, or they must meet the same as other employees not participating in Work Sharing.
- The collective bargaining agent of employees in a bargaining unit must agree to voluntarily participate and sign the application for Work Sharing.
- Identify the affected work units to be covered by the Work Sharing plan and identify each participating employee by their full name and Social Security number.
- Notify employees in advance of the intent to participate in the Work Sharing program.
- Identify how many layoffs will be avoided by participating in the Work Sharing program.
- Provide the EDD with any necessary reports or documents relating to the Work Sharing plan.

Important Notes:

1. There are some restrictions with the Work Sharing Program. It is not designed to assist with leased, seasonal, intermittent, or temporary employees. It is not meant to be used as a transition to layoff and does not apply to major stockholders or corporate officers.
2. All work sharing plans are approved for one year.
3. Employers can only have one work sharing plan per California Employer account number.
4. Multiple locations can be added to one work sharing program if your company has more than one location.
5. Just like regular Unemployment Insurance there is a standard one week waiting period. (This one week waiting period was waived due to COVID-19, but we don't know if it is for Workshare participants.)
6. Employers can apply for the work sharing program by mailing a Work Sharing Unemployment Insurance Plan Application (DE 8686) to the EDD. (See Attached)

This is a unique solution to the reduction in force we are currently facing due to Covid-19.

To apply, download the application here: https://www.edd.ca.gov/unemployment/Work_Sharing_Program.htm