

The TWC Shared Work Unemployment Benefits Plan



Submit your Shared Work Plan online 24/7!
Log on to Employer Benefits Services (EBS) at:
<https://twc.texas.gov/ebs>

Contact:

TWC's Shared Work Unit at 512-340-4337
888-741-0446 toll-free
ui.sharedwork@twc.state.tx.us



The TWC Shared Work Unemployment Benefits Plan

What is Shared Work?

The Shared Work Program offers Texas employers an alternative to temporary layoffs. The Texas Workforce Commission (TWC) developed this voluntary program to help Texas employers and employees withstand economic downturns. Shared work allows employers to reduce the work hours of employees rather than laying them off. TWC pays shared work employees partial unemployment benefits to supplement the wages lost to working reduced hours.

Unemployment benefits paid through the shared work plan are charged to the employer's account and used to compute the general (experience) tax rate. Thus, shared work unemployment benefits affect the employer's tax rate in the same way as other benefit chargebacks.

The Shared Work Process

Shared work employers can reduce normal weekly work hours for employees in an affected unit by at least 10 percent, but not more than 40 percent, and the reduction must affect at least 10 percent of the employees in that unit. An employer can use shared work in one or more departments, shifts, or units (a unit consists of two or more employees) without affecting the entire company. Shared work allows employers to specify affected areas, and to stop or continue the plan as needed.

The Shared Work program does **not** subsidize:

- a seasonal employer during the off-season
- an employer who traditionally uses part-time employees.

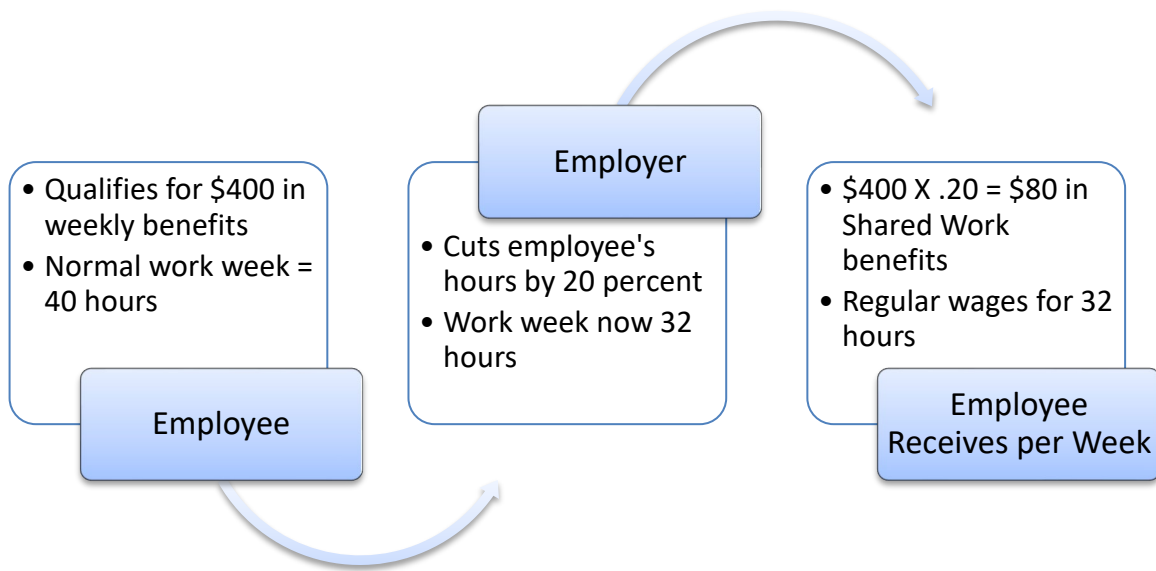
Employers may also specify different percentages of reduced hours for different employees, as long as the reduction in normal weekly hours ranges from 10 percent to 40 percent each week, depending on plan specifications. The range of hours worked may vary under shared work rules.

TWC calculates benefits based on the number of hours the employer defines as normal full-time employment. The figure may differ for various plan participants. If TWC approves the shared work plan, workers who qualify for unemployment benefits receive both wages and shared work benefits. The amount of shared work benefits is the percentage of regular unemployment benefits that equals the percentage reduction in work hours.

Example

The percentage reduction in employee work hours determines the amount of unemployment benefits received each week. If the employer reduces employee hours by 20 percent, the employee receives 20 percent of the Weekly Benefit Amount (WBA).

- An employee would be qualified to receive \$400 in regular weekly benefits if they were fully unemployed as a result of a layoff
- A company using shared work cuts the employee's hours from 40 per week to 32 per week, which is a 20 percent reduction
- To determine the amount of shared work benefits the worker would receive, multiply \$400 (the regular weekly benefit amount) by 0.20 (the 20 percent reduction in hours), which equals \$80
- The eligible worker would receive \$80 in shared work benefits each week in addition to their regular wages for the 32 hours worked



Shared Work Employee Eligibility

Shared work employees receive both wages and shared work benefits. Workers may choose not to participate. Shared work does not require a one-week waiting period.

Claimants receive payment for the first claim week. If the shared work plan expires, but the employees still work a reduced schedule, they are no longer eligible for shared work benefits. However, they may be eligible for regular unemployment benefits.

Shared Work employees must:

- be eligible for regular unemployment benefits
- accept all work offered by the participating employer for the duration of the shared work plan
- be able and available for full-time work.

If an employee works outside of the specified hours of the shared work plan, TWC determines whether the employee qualifies for regular unemployment benefits and, if so, pays accordingly. Some employees filing under shared work may be eligible to receive benefits for a given week while others are not, usually because some employees are working too many or too few hours to fulfill the program's requirements.

Shared Work Plan Details

- Employers can have multiple plans within the organization if each plan covers two or more employees.
- Employers can renew the shared work plan after it expires. When the plan expires, TWC notifies the employer to renew the plan by submitting a new application.
- Employers can implement a shared work plan for one or more departments, shifts, or units. A unit consists of two or more employees. The employer can specify affected areas.
- An employer may return individuals or groups to work full time for a week or two and then continue the plan. The employer has the flexibility to stop or continue as needed.
- An employer may lay off some workers who were originally in the plan and keep the remainder in the plan, as long as they continue to meet requirements for an approved plan. The employer may replace an employee who leaves for personal reasons.
- The employer may modify the original plan after reporting any changes in writing to TWC. We reevaluate the plan if there are substantial changes.

Eligibility Requirements for Shared Work

- Benefits are payable to employees whose hours have been reduced after their employer has been approved for a shared work plan.
- The percentage of reduced hours can differ, as long as the reduction in normal weekly hours ranges from 10 to 40 percent each week, depending on the plan.
- Reduced hours must apply to at least 10 percent of employees in an affected unit.
- The plan must describe how the employees would be notified in advance of the plan, if possible.
- The plan must be an alternative to layoffs, and the employer must provide an estimate of the number of employees laid off if the employer did not participate in a shared work plan.
- If an employer provides fringe benefits, the employer must continue to provide those benefits as part of the plan. Benefits include health insurance, retirement benefits, paid vacation, holiday, sick leave, or other benefits.
- Employees in a shared work plan may participate in training, such as employer-sponsored training or Commission-approved training, to enhance their job skills.

Note: Employees whose work hours are reduced because of a seasonal lack of work are not eligible for shared work benefits.

How to Apply for Shared Work

Employers who wish to implement a shared work plan should log on to [Employer Benefits Services](#) (EBS) to submit their Shared Work Plan online. EBS online is fast, easy, secure, and available 24/7.

To complete your Shared Work Plan application, you will need:

- Your company's name, address, telephone number, fax number, and the contact information for an authorized representative with signature authority
- Your TWC Tax Account Number
- The union name, local union number, and the union official's name for any union affected by the plan
- The names and Social Security numbers of all participating employees you want to enroll in the plan.

You can either upload a .csv (Comma Separated Values) file with all the employee data or enter the data manually. Once loaded, you can edit your list or add and delete participants as needed.

TWC approves or denies a shared work plan within 30 days of receiving the application. The effective date of the plan is the date that TWC approves it. The plan expires on the last day of the 12th full calendar month after the effective date of the plan. Employers can request a start date that coincides with the company's payroll date to simplify timekeeping procedures.

When TWC approves a shared work plan, it mails or emails to your secure EBS inbox a *Notice of Shared Work Plan Status* for verification, as well as forms and instructions on how to file claims for employees. After each affected employee applies for benefits, TWC mails a notice detailing or denying eligibility. TWC issues benefit payments to employees on a weekly or biweekly basis.

Reporting Requirements

If TWC approves the plan, the employer must submit via [Employer Benefits Services](#) weekly/biweekly:

- Payment requests on behalf of the participating employees to establish a claim for benefits
- Certification for the number of hours worked by each participating employee



For more information on
TWC's Shared Work Program, call 512-340-4337
or 888-741-0446 (toll-free)
Or email: ui.sharedwork@twc.state.tx.us

Frequently Asked Questions

Does shared work affect an employer's unemployment tax rate?

Yes. Unemployment benefits paid through the Shared Work Plan are charged to the employer's account and used to compute the general (experience) tax rate. Thus, Shared Work unemployment benefits affect the employer's tax rate in the same way as other benefit chargebacks.

Does implementing a Shared Work plan affect the entire company?

No. An employer can use shared work in one or more departments, shifts, or units. The employer can specify affected areas. A unit consists of two or more employees.

Can the percentages of reduced hours vary for different individuals?

Yes, as long as the reduction in normal weekly hours ranges from 10 percent to 40 percent each week, depending on the plan. The hours worked may vary. TWC calculates the benefits from the number of hours specified by the employer as normal full-time employment. The figure may differ for plan participants.

Can an employer put individuals or groups back to work full time for a week or two and then continue the plan?

Yes. The plan allows employers to stop or continue as needed.

Can an employer lay off some workers who were originally in the plan and still keep the remainder in the plan?

Yes, as long as the employer meets the requirements for the approved plan.

Can an employer have more than one Shared Work plan?

Yes. The employer can have several plans within the organization if each plan meets the "unit" requirements.

Can an employer modify the plan?

Yes, but the employer must first report the changes in writing to TWC. TWC evaluates any substantial changes before approval.

Can an employer extend the plan after it expires?

Yes, the employer can renew the plan by submitting a new application.

How long is a plan in effect?

One year. The plan expires on the last day of the 12th full calendar month after the effective date of the plan.

Who receives Shared Work benefits?

Benefits are payable to employees who qualify for and participate in approved shared work plans. Workers may choose not to participate. Employees who qualify receive both wages and shared work benefits.

How are employees paid?

The employer is responsible for reporting employee hours to us. TWC pays benefits to employees on a weekly or biweekly basis.

How do employers know when TWC approves a shared work plan?

When TWC approves a Shared Work Plan, we mail or email you via your secure inbox on [Employer Benefits Services](#) a Notice of Shared Work Plan Status with forms and instructions.

What steps must shared work employees take after plan approval?

Shared work employees should discuss the next steps with their Shared Work Program Coordinator at their place of employment.

Do shared work employees have a one-week waiting period?

No. The program does not require a one-week waiting period. Claimants may receive payment for the first claim week.

If the shared work plan expires, but employees are still working on a reduced work schedule, can they continue to receive shared work benefits?

No, shared work is payable only while the employer's plan is in effect. However, employees may be eligible for regular unemployment benefits.

Do employers need to report earnings from their employee's outside part-time work?

No. Shared work employers do not have to report wages employees earn from their employees' outside part-time jobs. TWC determines shared work benefits by the percentage of reduction in hours from the employer's definition of full-time work. However, individuals who later submit claims for regular benefits must report all earnings on their payment requests.

Can employees who normally work overtime receive shared work benefits for a reduction in their overtime hours?

No. Shared work pays only for wages lost because of a reduction in the employee's normal full-time hours. Normal full-time hours may not exceed 40 hours.



Still have questions?

Call our Shared Work Program experts at:
512-340-4337 or **888-741-0446** (toll-free)

Or visit us online at:

www.twc.state.tx.us/ui/bnfts/sharedwork.html

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Shared Work Compared to Mass Claims

Shared Work Program

- Employer instructs employees on how to apply for benefits under the shared work plan
- No waiting week
- No job search
- No reporting wages for outside part-time work
- Your employer reports hours and wages to TWC
- You do not have to call Tele-Serv or go online to request benefit payment(s).

Mass Claims: Temporary Layoff With A Call-Back Date

- Employer filing a mass claim – wait to get your packet
- Must call Tele-Serv and establish PIN number
- Call Tele-Serv or go online every two weeks to request benefit payment(s)
- Waiting week applies
- Report all wages from any type of work, holiday or vacation pay
- If layoff is more than 12 weeks, you must register to work within 3 business days of filing a claim and perform weekly job searches.

Mass Claims: Permanent Layoffs

- Employer filing a mass claim – wait to get your packet
- Must call Tele-Serv and establish PIN number
- Call Tele-Serv or go online every two weeks to request benefit payment(s)
- Waiting week applies
- Report all wages from any type of work
- Must register for work within 3 business days of filing a claim and perform weekly job searches.

For more information on Unemployment Services, visit TWC online at: www.texasworkforce.org