

WORK-SHARING EMPLOYEE INFORMATION KIT

Work-Sharing is an Adjustment Program

- Employers retain staff and adjust their work activity during temporary, unexpected and unavoidable work shortages.
- Employees retain their skills and jobs and are paid Employment Insurance benefits for the days they do not work each week.
- Work-Sharing is not intended to support declining establishments or to retain seasonal workers during the slow season.
- Return to normal working hours must be a realistic expectation before the end of the agreement and there must be a strong recovery plan to bring in more work over the period of the agreement.
- The Work-Sharing Program will not be approved repeatedly thus a viable recovery plan must be in place.

Please read all the information provided including the eligibility criteria and discuss it with your employer. Work-Sharing is a three-party agreement between employers, employees and Human Resources and Social Development Canada. **All Employees of the Work-Sharing Unit Must Agree to Participate.**

To apply for Work Sharing an Employer must provide:

1. **A completed application form** (including attachments and signatures of both employer representative and employee representative (s).)
2. **A recovery plan consisting of:**
 1. description of the business
 - length of time the company has been in business in Canada
 - head office location
 - number and location of branches
 - typical clients, customers and market served
 - history with the Work-Sharing and other HRSDC/Service Canada programs
 - comparison of sales/production/business over the last 2 years
 2. description of employees
 - number of union and non-union employees
 - full name of union and local number (if applicable)
 3. description of plan for recovery

- the expected duration and the actual cause for the work shortage (Is it seasonal? Problems obtaining raw materials? Unexpected market shifts? Delayed contracts, as well as how this specifically affects the company?)
- an outline of steps that will be taken to generate business and thus alleviate work shortage. Include objectives, activities, realistic timeframes, milestones and expected outcomes. Examples of business generating steps may include:
 - cost cutting measures taken or planned
 - new types of business
 - new technology
 - new markets
 - new lines of business
 - scheduled shows, fairs etc
 - incentives being offered to customers
 - readjustment of current products
- a description of employer initiated skills enhancement/upgrading (if applicable) to take place during the life of the Agreement. This could include enhancing computer skills using tutorials at the work place, off-site upgrading of skills, reviewing texts, viewing videos, etc.
- future sales / business projections
- a description of measures taken to overcome the downturn in business before applying for the WS program
- any work force adjustments to be made before or after that period of time for which you require the use of a Work-Sharing Agreement (e.g. layoffs, reducing hours to part time from full time)
- a description of what the company has identified as alternatives to a WS Agreement
- a description of the risks that may hinder the recovery of the business and what the alternative plan is (e.g. a contract may not come through so the company will increase the number of trade fairs attended, and engage in follow-up meetings with potential clients).

All of the above-mentioned information must be submitted in order to constitute a complete application. Any additional information which may be helpful, should also be submitted, e.g. Annual reports, relevant Human Resources or financial records.

All information with respect to applications will be kept confidential.

Incomplete applications cannot be processed

The more detailed information that an employer provides, the easier it is to analyse the application and to make a decision. Complete information also avoids delays in processing.

A formal application for Work-Sharing must be received by the Service Canada Centre at least 30 days in advance of the proposed effective date of the agreement.

Eligibility Criteria for Work-Sharing

Employer Responsibilities

- the employer must have been in business in Canada for two years;
- the employer must show that the need to reduce working hours is unavoidable;
- the Work-Sharing Unit must consist of 2 or more people. The program is intended to cover "core staff" only (the minimum number of year round permanent full-time/part-time employees who are required to carry out the functions that will lead to a full recovery within the time frame of the agreement);
- Work-Sharing applications can not be put in place in instances where there is a labour dispute;
- outside sales staff, managers and those who assign workloads are generally not eligible for inclusion in the Work-Sharing Unit;
- employers must show that the work shortage is temporary and unexpected. (This is because the program is not intended to subsidize declining establishments, nor to cover companies during an expected seasonal slowdown.);
- the shortage of work must be significant enough to warrant support of the program. The initial reduction in working time must be at least 20 % or one day;
- the maximum permissible reduction in the working time is 60 % or 3 days;
- the minimum duration of a Work-Sharing Agreement is 6 weeks and the maximum period for Work-Sharing is 26 weeks and is based on the length of time it takes for the recovery plan to generate enough new work to get your firm back to normal. Extensions beyond the maximum of 26 weeks may be considered in extenuating circumstances for up to a maximum of 12 weeks. A letter of request for these extensions with a revised recovery plan must be signed by the employer and the employee representative and received at least one month prior to the termination of the normal 26 week Work Sharing Agreement;
- establishments are not allowed to increase their work force during a Work-Sharing Agreement, except for replacements of essential separating staff. This requires prior consent of the Commission;
- the employer must maintain all existing employee benefits for the duration of the Work-Sharing Agreement;
- in order to minimize dependency on the Work-Sharing program, all second and subsequent applications will be critically reviewed. If it is determined that the work shortage has become permanent or seasonal in nature, the application may not be approved. It is unlikely that applications requesting a third successive time on the program will be approved.

Employee Conditions

- the eligibility requirement for Work-Sharing is the same as for regular Employment Insurance Benefits. Employees must have 420 - 910 hours of insurable employment before the effective date of the agreement. The exact number of required hours depends on the unemployment rate in the EI economic region;
- the Work-Sharing benefits payable in any week is based on employees' loss in normal average weekly earnings. The benefit is also based on the regular weekly employment insurance benefit, as calculated at the start of the Work-Sharing Agreement. During the Work-Sharing Agreement, as work becomes available, the employer may request an employee to work on a Work-Sharing day and the employee is required to report to work;
- earnings received in any week by a Work-Sharing claimant from sources other than Work-Sharing Employment, in excess of an amount equal to 25% of the claimant's rate of weekly benefit, shall be deducted from the Work-Sharing benefits payable in that week;
- if the employment insurance benefit rate is \$200 per week or less, then the claimant can receive up to \$50.00 per week without any reduction in WS benefits;
- specific statutory holidays occurring within a Work-Sharing period are not compensated by Employment Insurance benefits and are the responsibility of the employer.

Waiting Period

Participants do not have to serve a two week waiting period for Work-Sharing Benefits. Benefits are processed through the EI payment system, meaning it may take up to 28 days for the first cheques to arrive.

Employee Lay Offs :

If the business does not recover as expected and an employee is laid off during or at the end of a Work-Sharing agreement, the employee can apply to transfer the claim to regular benefits. That claim duration would be extended by the number of weeks of Work-Sharing. The benefit rate and the normal duration of the claim is not reduced by Work-Sharing.

If you have questions regarding the Work-Sharing Program or the application, please contact your local Service Canada Centre:

http://www1.servicecanada.gc.ca/en/gateways/where_you_live/menu.shtml