

SHARED WORK PROGRAM

Overview

The Shared Work program provides Texas employers with an alternative to layoffs. TWC developed this voluntary program to help Texas employers and employees withstand a slowdown in business.

Shared Work allows employers to:

- Supplement their employees' wages lost because of reduced work hours with partial unemployment benefits.
- Reduce normal weekly work hours for employees in an affected unit by at least 10 percent but not more than 40 percent; the reduction must affect at least 10 percent of the employees in that unit.

Shared Work does not subsidize a seasonal employer during the off-season.

Shared Work unemployment benefits are payable to employees who qualify for and participate in an approved Shared Work Plan. Workers may choose not to participate. Employees who qualify will receive both wages and Shared Work unemployment benefits.

How Shared Work Affects Your Unemployment Benefits Tax Rate

Shared work unemployment benefits affect the employer's tax rate in the same way as other benefit chargebacks. Unemployment benefits paid through the shared work program are charged to the employer's account and used to compute the general (experience) tax rate. For more information on employer tax rates, see: [Employer Unemployment Benefit Chargebacks](#).

Details for a Shared Work Plan

- You may have more than one plan. Employers can have multiple plans within the organization if each plan covers two or more employees.
- You can renew the shared work plan after it expires. When the plan expires, TWC will notify the employer to renew the plan by submitting a new application.
- You can implement a Shared Work 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 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. You may replace an employee who leaves for personal reasons.
- You may modify the original plan after reporting any changes in writing to TWC. Substantial changes will be reevaluated for approval.

Eligibility Requirements for a Shared Work Plan

- The percentage of reduced hours can be different for different individuals, 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 the number from the number of hours you specify as normal full-time employment. The figure may differ for various plan participants.
- The reduction in hours must apply to at least 10 percent of the employees in an affected unit.
- A shared work plan must describe how the employees will be notified in advance of the plan, if possible.
- A shared work plan must be an alternative to layoffs and you must provide an estimate of the number of employees who would be laid off if you do not participate in a shared work plan.
- If you currently provide fringe benefits, you must continue to provide these benefits for the employees in the shared work plan. Fringe benefits include health insurance, retirement benefits, paid vacation, holiday or sick leave, or other employee benefit.
- Employees participating in a shared work plan may participate in training, such as employer-sponsored training or Commission-approved training, to enhance their job skills.

Application Process

How to Apply for a Shared Work Plan

Log on to [Employer Benefits Services](#) (EBS) to submit your 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.

If you have any questions, contact TWC's Shared Work Department:

- By phone: 512-340-4337 or 888-741-0446 toll-free
- By email: ui.sharedwork@twc.state.tx.us

TWC approves or denies a plan within 30 days of receipt. The effective date of the plan is the date TWC approves it. To simplify time-keeping procedures, request an effective date for your plan that coincides with your payroll date. After TWC approval, the shared work plan is effective for one year (12 full calendar months).

After Submitting 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.

If TWC denies a Shared Work Plan, we notify you in writing.

Employer Reporting Requirements

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

Employee Eligibility

Shared Work unemployment benefits are payable to employees who qualify for and participate in an approved Shared Work Plan. Workers may choose not to participate. Employees who qualify will receive both wages and Shared Work unemployment benefits.

The employer can use the Shared Work Plan only for employees whose hours have been reduced. Shared Work benefits can be paid only for wages lost because of a reduction in the employee's regular hours. Regular hours may not exceed 40 hours. An employee who normally works overtime may not receive shared work benefits for a reduction in their overtime hours.

Shared work employees must:

- Submit their unemployment claims on [Unemployment Benefits Services](#)
- Be eligible for regular unemployment benefits
- Accept all work offered by the participating employer
- Be able and available for work with the employer

Some Shared Work employees may receive unemployment benefits for a given week while others do not. Normally, that occurs when one or more employees work too many hours or too few hours to comply with the program requirements.

Note: A Shared Work unemployment benefits claimant does not need to search for work. That work search exemption is similar to that of employees on temporary layoff who have a definite date to return to work.

Employee Unemployment Benefit Payments

Weekly Benefits Paid on Shared Work

The percentage reduction in the employee's work hours determines the amount of unemployment benefits a worker receives each week. If the worker's hours are reduced by 20 percent, the worker will receive 20 percent of their weekly benefit amount. Consider this scenario, for example:

- An employee is qualified to receive \$400 in regular unemployment benefits.
- A company cuts that employee's hours from 40 per week to 32 per week — a 20 percent reduction.
- To determine the amount of Shared Work benefits the worker would receive, multiply \$400 (the regular benefit amount) by .20 (percent reduction in hours), which equals \$80.
- That eligible worker would receive \$80 in Shared Work benefits each week in addition to their regular wages for the 32 hours worked.

Shared Work does not require a one-week waiting period for benefit payment. If a claimant receives regular unemployment benefits, Texas law requires us to hold the payment for the first payable week, known as the “waiting week,” until the claimant is paid two times their weekly benefit amount and returns to full-time work or exhausts benefits. Claimants under a Shared Work Plan may receive payment for the first claim week without serving a waiting week.

Benefit Payments After a Shared Work Plan Expires

Shared work benefits are payable only while the employer's plan is in effect. Employees working a reduced work schedule cannot receive shared work benefits after the plan expires. However, the employees may be eligible for benefits under the regular unemployment benefits program. Employees who work part time may receive some regular unemployment benefits. If the employer does not renew the shared work plan, employees would need to apply for regular unemployment benefits.

Reporting Work & Earnings

A Shared Work employer does not have to report wages their employees may earn from outside part-time employment. If a claimant worked during a claimed week with an employer other than the participating employer, the wages received from the nonparticipating employer do not need to be reported on the Shared Work benefit week ending date claim. TWC determines Shared Work benefits by the percentage of reduction that only the Shared Work Plan employer defines as full-time employment.