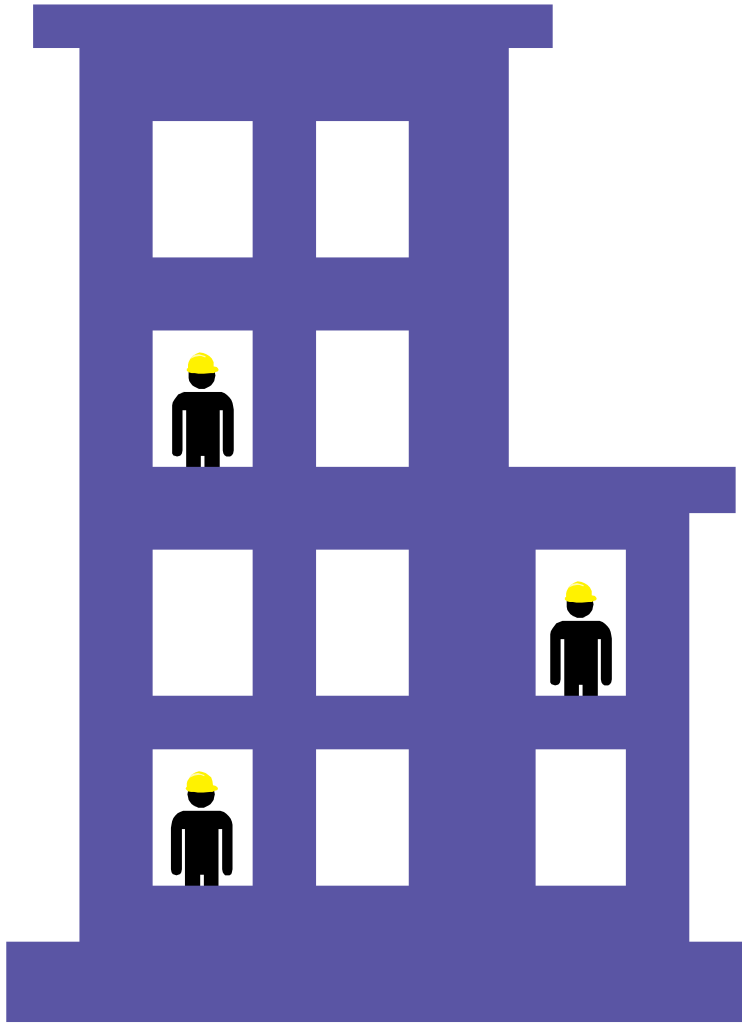


SHAREDWORK



Shared Work and Short-Time
Compensation:

Options for Employers

Amber Fink & Dee Rose

Missouri Department of Labor

SHARED WORK

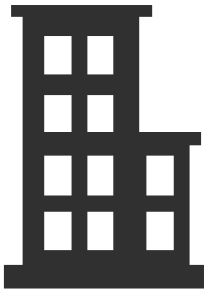
The SHARED WORK program provides an alternative to employers faced with a reduction in available work and potential layoffs. The program is federally authorized and state administered.



SHAREDWORK

An Example

A firm that is facing a 20 percent reduction in production...



-20%
PRODUCTION

=

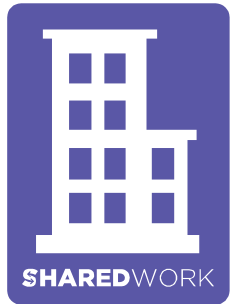


...usually lays off one-fifth of its workforce.



SHAREDWORK

Under **SHAREDWORK**, the firm retains its total workforce on a four-day-a-week basis.



M **T** **W** **Th** **F**

100% WORKFORCE
4 Days a week

Reducing hours from 40 to 32 cuts production by the required 20 percent while retaining all employees.

M **T** **W** **Th** **F**

32 Hours -8 Hours

Production cut by required 20%



SHAREDWORK

Allows the firm to retain 100 percent of employees.

Everyone receives their wages for the four-day workweek...



SHAREDWORK

AND gets \$ from the Shared Work Program.

Best of all, the firm keeps all employees AND reduces labor costs.



20% Unemployment Compensation

WIN

WIN



SHAREDWORK

HOW DO EMPLOYEES BENEFIT?

- Remain attached to the workforce
- Continue to receive benefits
- Receive a portion of unemployment benefits to offset wage reduction



SHAREDWORK

EMPLOYEE PARTICIPATION

- Any employee may participate if:
 - Eligible for regular unemployment benefits
 - Works in the affected unit
- In Missouri, collective bargaining units must agree to the Shared Work plan for their employees

SHAREDWORK

HOW DO EMPLOYERS BENEFIT?

- Reduction in labor costs
- Retention of skilled workers

“It keeps the morale of our team members up because it’s disheartening when you don’t get a full week’s worth of pay because a machine breaks down or a part doesn’t come in or something else completely out of your control.”

Pam Sullivan, HR
Briggs and Stratton



SHAREDWORK

Employee Replacement Costs

If Your Employee Finds A New Job During Layoff

Direct Costs:

Separation Costs

- ✓ Higher unemployment costs
- ✓ Exit interviews /admin costs for record-keeping, payroll, benefits
- ✓ Severance

Replacement Costs

- ✓ Advertising /recruiting for new employee
- ✓ Screening applications/applicants
- ✓ Drug testing
- ✓ Interviews & pre-employment testing
- ✓ Background checks

Temporary Coverage

- ✓ Overtime or temporary staffing costs

Training

- ✓ Orientation – taking someone away from their job to train AND paid training time for new hire
- ✓ Training materials/literature
- ✓ Lost productivity during training period
- ✓ Classroom and trainer
- ✓ Uniforms

Indirect Costs:

- ✓ Lost productivity during absence
- ✓ Temporary/New employee productivity
- ✓ Other employees' workload
- ✓ Morale
- ✓ Institutional knowledge
 - knowing people, traditions and customer needs
 - location of information
 - what & how the boss and customer like it

SHAREDWORK

WHICH EMPLOYERS ARE ELIGIBLE?

- ANY industry may apply
 - Manufacturing, transportation, construction, management, public administration
- Employers current on all tax payments
- Employers with no outstanding contribution and wage reports



SHARED WORK

WHAT MUST A Missouri SHARED WORK PLAN INCLUDE?

- 20-40% reduction in normal work hours for employees in the plan
- Coverage of at least 10% of the affected unit or the company (minimum of 3 employees)
- Description of how fringe benefits will be administered
- Certification that plan is in lieu of layoffs
- Other requirements will apply



SHAREDWORK

Plan Flexibility Based on Business Needs

- Use as many weeks as needed throughout the plan year (up to 52 weeks)
- Decide which employees and units will be affected
- Can adjust employee work schedules each week

SHAREDWORK

Plan Flexibility Based on Business Needs

- Determine the percentage of work reduction each week due to:
 - Change in a factory line
 - Broken equipment
 - Unexpected delay in customer orders

SHAREDWORK

COSTS IN TIME & MONEY-Missouri

- Minimal time to sign up for the plan itself
- Employee sign up sheets to include direct deposit for UI benefits & tax withholding

(Employees only sign up for Shared Work benefits through the employer. They do not have to file a UI claim or weekly certifications while on Shared Work).

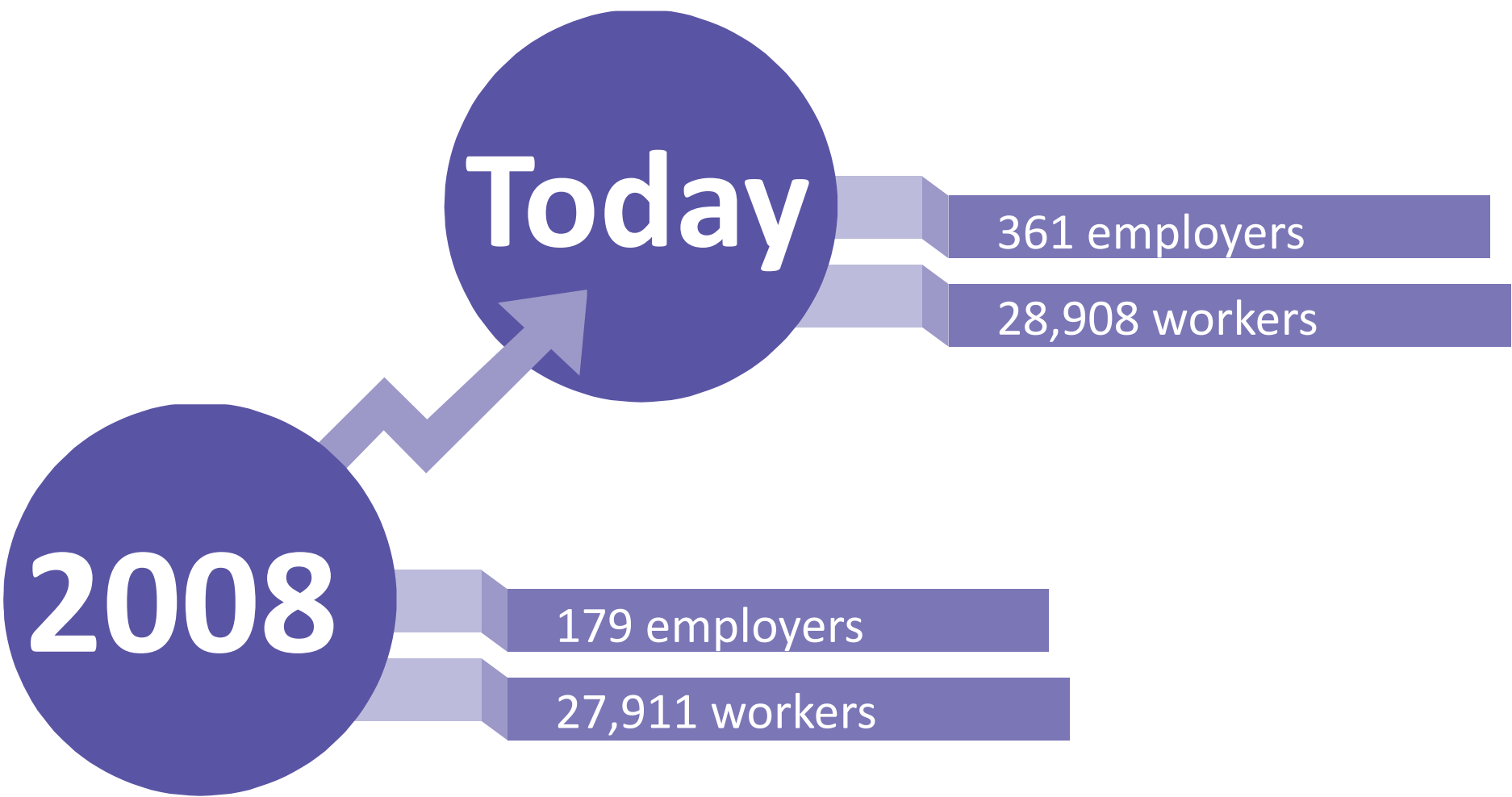
- Biweekly certifications
- Shared Work benefits are chargeable the same as regular UI





SHAREDWORK

SUCCESS FOR MISSOURI EMPLOYERS & EMPLOYEES



SHAREDWORK

WHAT THEY ARE SAYING:

“It’s exactly what we need. Shared Work has been a win, win. Being a small business, we don’t have the resources to absorb a lot of poorly used labor.”

“Our employees would have to find another job, and we would have to start new with someone every year. The wealth of information our skilled employees carry with them from year to year is priceless. They know about the business, about techniques we use. They know the customer base.”

*Alice Longfellow, Owner
Longfellow’s Garden Center*





SHAREDWORK

FOR MORE INFORMATION AND TO APPLY:

Call **573-751-WORK (9675)**

Visit **www.sharedwork.mo.gov**

Email us at **sharedworkinfo@labor.mo.gov**

QUESTIONS?