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## Shared Work Unemployment Compensation Program

The Arkansas Division of Workforce Services offers the Shared Work Unemployment Compensation Program for employers. The Shared Work Program provides an alternative for employers faced with a reduction in work force. It allows an employer to divide available work or hours among a specific group of employees instead of a layoff and allows employees to receive a portion of their unemployment benefits while working reduced hours. DWS has published a FAQ, which is excerpted below, and has an information and application packet published [here](#).

### What are the Advantages of the Shared Work Program?

The advantages for an employer to elect to participate in the Shared Work Program include the following:

- Unemployment claims made under the Shared Work Program do not impact the employer's experience rating, which would normally impose a higher payroll tax;
- Production and quality levels are maintained;
- Rapid recovery to full capacity is possible because of the retention of an experienced workforce;
- When the economic climate improves, administrative and training costs of hiring new employees are minimized;
- Affirmative actions gains are protected;
- Employee morale remains high;
- Consumer's spending patterns remain more stable; and
- Public assistance expenditures may be lessened.

### Are All Employers Eligible to Participate in the Shared Work Program?

Any employer who elects to participate in the Shared Work Program must have a positive reserve account and must not have had a temporary layoff of the affected group within the four (4) month period preceding the application for the Shared Work Program.

### Who is eligible for benefits through the Shared Work Program?

To qualify for benefits under the Shared Work Program, employees must be regularly employed by an employer whose plan to stabilize the workforce has been approved by the Director of the Division of Workforce Services. During the period for which benefits are payable, the following conditions must be met:

- The employees' normal weekly hours of work are reduced at least ten percent.
- The employee's normal weekly hours are not reduced by more than forty percent.
- The employees must be monetarily eligible for regular unemployment insurance benefits and must not have exhausted their entitlement to regular UI benefits.
- The employees must file a claim and meet the eligibility requirements for regular Arkansas

benefits. The employees need not:

- Be available for work other than with the Shared Work Employer
- Conduct an active search for work, or
- Apply or accept work other than from the Shared Work Employer.
- The employees must be able and available to work the normal hours of work of the Shared Work Employer:

Example: The employee's hours of work are reduced twenty percent. The employer schedules a four (4) day work week, eight (8) hours a day, Monday through Thursday. An employee requests and is granted permission to be off Tuesday. If the Shared Work Employer schedules the claimant/employee to work eight (8) hours on Friday, the claimant/employee must be able and available to work the scheduled hours.

### **How Many Weeks of Benefits are Available Through the Shared Work Program?**

Employees can receive up to 25 weeks of benefits through the Shared Work Program.

### **How are Benefits Calculated for the Shared Work Program?**

Employees involved in an employer's approved Shared Work Program, if otherwise eligible, will receive that percentage of their weekly unemployment insurance benefit amount which equals the percentage of reduction in normal work hours for that week due to Shared Work. If additional hours are worked during the week in the employment of another employer(s), the combined hours of work for both employers will be used to determine the percentage reduction of their weekly unemployment insurance benefit amount. However, if the combined hours are equal to or greater than 90% of the normal weekly hours of work with the Shared Work Employer, the claimant shall not be entitled to Shared Work benefits for that week. The Shared Work Program allows the employee to receive partial wages, partial unemployment benefits, and the \$600 additional weekly benefit under the CARES Act.

### **Must an Employee Serve a Waiting Week before Shared Work Benefits are Payable?**

Generally, all claimants/employees must serve or have served a one-week waiting period. However, the waiting period has been waived for unemployment claims on or after March 16, 2020.

### **When Does a Shared Work Plan become Effective and When Does it End?**

A Shared Work Plan becomes effective on the date the plan is approved or on a date mutually agreed upon by the employer and the Director of the Division of Workforce Services, but no earlier than the date of approval of the plan by the Director. It shall expire at the end of the 12th full calendar month after the effective date or on the date specified, whichever is earlier. If a plan is revoked by the Director, it shall terminate on the date specified in the Director's written order of revocation.

**For more detailed information about the Shared Work Program or for an application:**

[Shared Work Information and Application for Employers](#)