

## Work Sharing with Employment Insurance

Work-Sharing is a program designed to help employers deal with business cutbacks while avoiding layoffs. Under a Work-Sharing Agreement, an employer may shorten the work week by one to three days and pay reduced wages accordingly. Workers can draw Employment Insurance benefits to help compensate them for the lower wages they receive from the employer.

Work-Sharing provisions were first extended in the 2009 Federal Budget. Another extension in the 2010 budget means that agreements can now last up to 78 weeks and added some flexibility to the eligibility criteria. Employers – including not for profit enterprises – retain skilled employees and avoid the costs of recruiting and training when normal business returns. Employees maintain their skills and job by supplementing their wages with EI benefits for the days they are not working.

### Who is eligible?

To be eligible for the Work-Share program, the employer must meet a number of criteria:

It must have been in year-round business in Canada for at least two years, and have a minimum of two employees.

It must show a significant downturn in business, such as a decrease in sales orders of at least 10 per cent. It must also show that need for reduced hours is unavoidable, temporary and unexpected.

The employer must not be undergoing a labour dispute, and must also have the approval of the union (if applicable) and employees.

### Employee Eligibility

To qualify for the Work-Share program, employees also must meet a number of criteria:

They must be “core staff” – year-round permanent full-time or part-time employees who are required to carry out the functions that will lead to recovery.

They must be eligible to receive regular Employment Insurance benefits (though they do not have to serve a two-week waiting period).

They must not be participating in a labour dispute.

Work-Sharing agreements do not affect workers’ rights to regular EI benefits if they happen to be laid off after the agreement ends.

### Employer duties

To apply for the program, an employer needs to complete three things.

1. An application for a Work-Sharing Agreement
2. A Work-Sharing Unit (a list of participating employees, signed by each employee or by a union representative).
3. A recovery plan that demonstrates how the business will be maintained for the duration of the agreement and return to normal working hours as the economy strengthens.

Employers should review the Applicant Guide for more on the seven key elements the recovery plan needs to include. The guide notes that employers may not be able to provide all the elements listed, but should provide as much as possible.

Applications must be submitted at least 30 days prior to the anticipated start date. Agreements must include a reduction in work activity between 20 and 60 per cent of the employee’s regular work schedule (ie one to three days per week for a full-time employee).

### Other information

Work-Sharing Agreements have a minimum duration of six weeks, and maximum duration of 78 weeks. The new maximum is in effect until April 2, 2011.

There is a great deal of information - including all the application forms, the applicant’s guide, Frequently Asked Questions on the Service Canada site at this address.

[http://www.servicecanada.gc.ca/eng/work\\_sharing/index.shtml](http://www.servicecanada.gc.ca/eng/work_sharing/index.shtml)

The same information is also available at any Service Canada Centre.

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