



# Shared Work - alternative to layoff

Shared Work is offered by the MN Unemployment Insurance (UI) Program to help employers avoid a layoff.

## Benefits of Shared Work

- Keep experienced and trained staff
- Avoid future hiring and training costs
- Increase operations quickly when business conditions improve
- Avoid a layoff which creates goodwill and financial stability for the workforce and the community
- Introduction to Shared Work

### Introduction to Shared Work

You submit an application and a list of the selected employees that will **work reduced hours** during a temporary slowdown. They are **paid unemployment benefits to offset part of their reduced wages**.

- You **divide available work hours** among a group of employees instead of a layoff.
- You **pay wages** for the hours the employees work.
- Employees receive **partial unemployment insurance benefits while working reduced hours**. The benefits usually pay about one-half of the employees lost income due to the reduced hours.
- How do I qualify?

### How do I qualify?

To participate in Shared Work you must meet the following qualifications:

- Your **UI tax account balance** must be paid in full including interest, fees, and penalties.
- Your workforce cannot be seasonal, temporary, or work on an intermittent basis.
- The **owner/officer information** on your UI employer account must be complete and up to date.
- Which employees can participate?

### Which employees can participate?

Participants must meet these requirements:

- Must be **full time or regular part time** employees. Not seasonal, temporary, or intermittent workers.
- Worked for you for **at least one year**.

- **Corporate owner/officers** can be included if they **elected optional UI coverage**.
- **Salaried employees** can be included if their hours are reduced with a corresponding reduction in pay.
- How is my UI account charged for benefits?

## How is my UI account charged for benefits?

**Experience-rated employers** – Your future experience rating will be affected by the Shared Work benefits paid to your workers in the same way as if you had a full lay off. Example: Reducing the hours of **five** employees by 20 percent affects your experience rating the same as a full lay off of one employee.

**Reimbursing employers** – Reimbursing employers will be billed quarterly for Shared Work benefits paid in the previous quarter.

- Are there other requirements?

## Are there other requirements?

Additional requirements:

- **Health and pension benefits** for participating employees must continue with the same terms and conditions as **before you reduced their hours**.
- You must **provide written notice to each participating employee** after we approve your application but before the start date.
- You are responsible for **administering your plan** (see [Manage your plan](#)):

**Communicate** with your participating employees about the Shared Work Plan.

**Assist** your employees with questions about the plan and with their unemployment benefits.

**Notify** us of changes to your plan including a vacation shutdown and permanently separated employees.

What you need to apply

How to apply

Manage your plan

Modify your plan

Employee questions

## What you need to apply

Information you need to complete the application:

- The **number of layoffs prevented** by your participation in Shared Work.
- Your **proposed start and end dates** must be for at least two months but not more than one year. (You can extend your plan up to an additional year.)
- The **name, Social Security number, and original hire date** of each participating employee.

Select employees that you intend to retain long term. If you lay off an employee who is on Shared Work, your plan may end.

- The proposed **hours** each participating employee will **work each week** for the duration of the plan.

The proposed hours worked by each employee must be at least 50 percent and no more than 80 percent of their normal weekly hours. (An exception is that the plan may provide for a vacation shutdown for up to two weeks.)

- An **owner or officer must sign** the completed application.

## Questions



We are here to help! If you have questions, email [shared.work@state.mn.us](mailto:shared.work@state.mn.us)

(<mailto:shared.work@state.mn.us>)

[Minnesota Law 5268.136 \(https://www.revisor.mn.gov/statutes/?id=268.136\)](https://www.revisor.mn.gov/statutes/?id=268.136) - Shared Work

# Shared Work Agreement Application



Legal Name of Business: \_\_\_\_\_

DBA (if different than legal name): \_\_\_\_\_

MN UI Employer Account #: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Work Site Location: \_\_\_\_\_

Bus. Phone: \_\_\_\_\_ Bus. Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Employer Representative** - responsible for working with the Shared Work Program.

Name: \_\_\_\_\_ Job Title: \_\_\_\_\_ Fax: \_\_\_\_\_

Phone: \_\_\_\_\_ Extension: \_\_\_\_\_ Email: \_\_\_\_\_

**Desired Agreement start date:** \_\_\_\_\_

The start date must be a Sunday. This application must be filed at least 15 days prior to the proposed start date. The final date will be set by DEED.

**Desired Agreement end date:** \_\_\_\_\_

The end date must be a Saturday. Duration of the agreement must be at least 60 days, but not more than one year.

## Proposed Reduction in Hours per Week

Your employees' Shared Work benefit will be based on the reduced number of hours you indicate on this agreement.

Note: The number of employees covered by the agreement must reflect the savings of at least one full-time position. For instance: if you reduce the hours from 40 hours per week to 32 hours per week, the agreement must include at least five employees, because each employee's hours are being reduced by 8 hours.

For the duration of this agreement, our employees' hours will be reduced to \_\_\_\_\_ hours per week (the number of hours listed must be between 20 and 32 hours per week. Do not enter fractions of an hour).

**Product or service your company or organization provides:** \_\_\_\_\_

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### For Use by DEED Staff

Balance Due

Maximum Rate

# Shared Work Agreement Application

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**Employer Shared Work Agreement Certification – By signing this application, we certify that:**

- A. *We realize the purpose of this agreement is to stabilize the work force during a temporary business decline and we will not use it to subsidize the wages of part-time employees;*
- B. *All employees participating in this agreement are normally employed full-time, but their hours will now be reduced, with a corresponding reduction in pay, to prevent layoffs;*
- C. *The date of hire of each participating employee was at least one year prior to the date that this agreement is being submitted to DEED;*
- D. *We will not hire new employees to perform the duties of any participating employee during any period when hours are reduced for any participating employee;*
- E. *We understand that no employees can be added to this agreement once it is approved;*
- F. *We understand that if we choose to cancel this agreement before the agreed upon end date, we must provide seven calendar days' notice to DEED and to all participating employees, and that a new agreement may not be entered into for at least 60 days after cancellation of this agreement;*
- G. *We understand that DEED may cancel this agreement if DEED determines that this agreement was based on false information or that we are in breach of the agreement;*
- H. *We understand that we must immediately provide written notice to each participating employee if this agreement is cancelled by DEED for any reason;*
- I. *We understand that benefits paid to participating employees will be charged to our UI employer account and we will be responsible for all taxes or reimbursements due that result from those charges; and,*
- J. *We certify that employees participating in this plan will continue to be eligible for health care benefits and pension plans to the same extent as employees who are not part of the plan.*

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In addition, we understand that we **must immediately notify DEED** if any participating employee is **separated** from our employ due to lack of work, **that such separation could result in immediate cancellation of this agreement**, and that we will be **ineligible for a new agreement for 60 days** following cancellation of this agreement.

Employer Name: \_\_\_\_\_ Date: \_\_\_\_\_

This agreement must be **signed by an owner or officer** of a private company, or a board member of a publicly held company, or a board member or executive director of a nonprofit organization, or an elected official or major nontenured policy maker of a governmental entity.

The person signing for a private company must be listed as an owner or officer on the Minnesota UI employer account.

Authorized Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Print Name: \_\_\_\_\_

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**Submit this application along with your participation list (saved as an Excel file) to:  
Shared.work@state.mn.us**



## Shared Work Agreement Participant List Instructions

The Shared Work Agreement Participant List is a list of the employees you want included in the Minnesota Shared Work Program.

This form **must** be submitted:

- As an Excel (.xls) file
- With the Shared Work Agreement Application to [Shared.Work@state.mn.us](mailto:Shared.Work@state.mn.us)
- By noon on the Wednesday at least two weeks prior to the plan start date

To get started, open the [Participant List worksheet](#).

- Only employees working
  - Normal full-time hours; and,
  - Whose hire date was at least one year prior to the agreement
- Your Minnesota Employer Account Number for the work site shown on your Shared Work Agreement Application
- Social Security numbers of affected employees without dashes
- Names of affected employees in alphabetical order by last name; do not include middle initials, suffices, etc.
- The proposed reduction of hours you entered on question #5 of your Shared Work Agreement Application

### Example:

MN Employer Account Number	Employer Name	Employee Social Security # (9 digits, no -)	Employee First Name (No Middle Initial)	Employee Last Name (No - or ')	Normal Full Time Hours (40 Hours)	Proposed Hours (20 to 32 Hours)	First Date of Hire
12345	XYZ Company	123456789	John	Doe	40	32	01/01/08

### Note:

Please make sure the information on this form is correct before submitting it to the Shared Work Program.