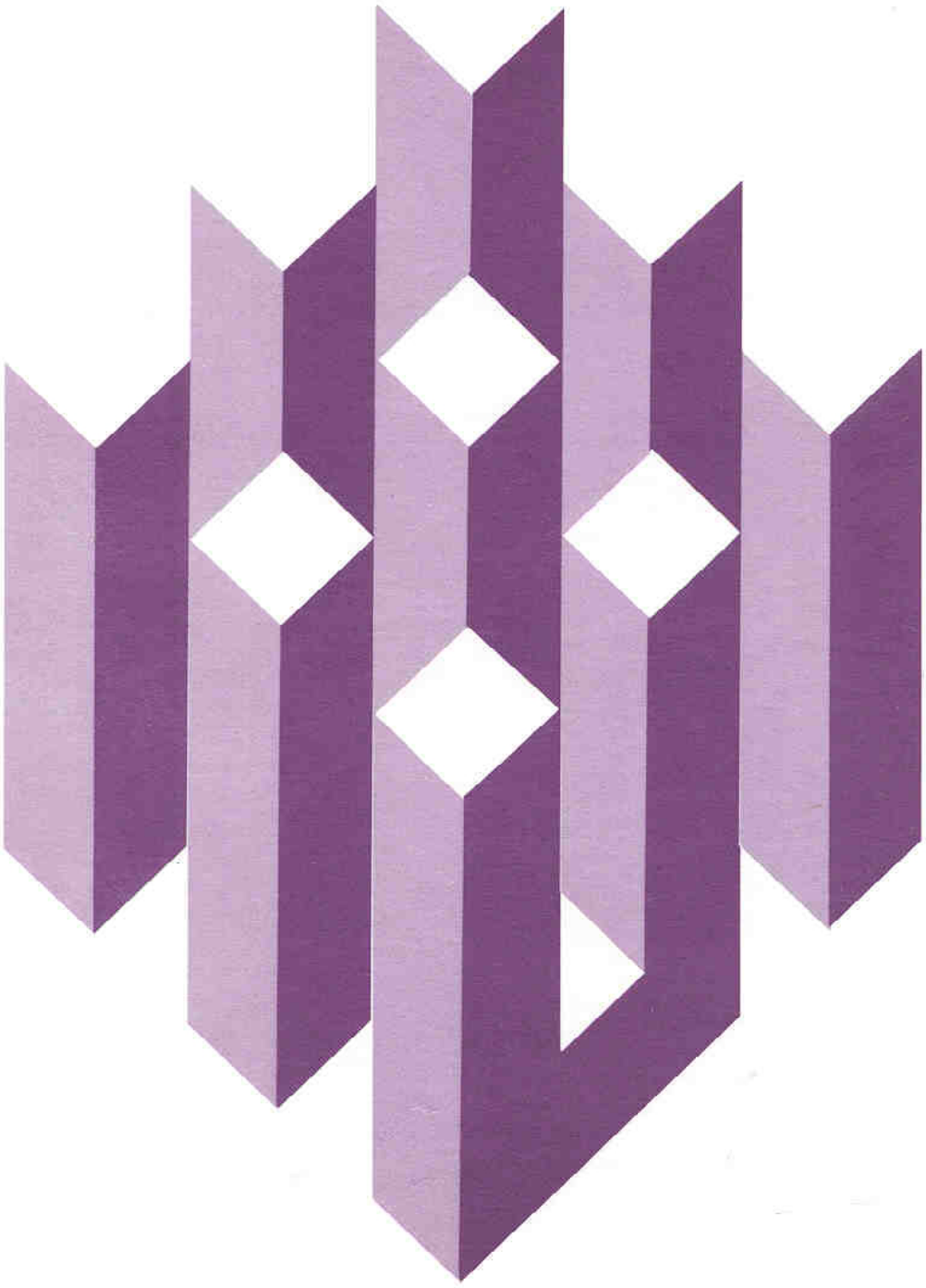
Short-Time Compensation: A Handbook of Basic Source Material

Unemployment Insurance Service
Occasional Paper 87-2

U.S. Department of Labor
Employment and Training Administration
Unemployment Insurance Service
1987



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This handbook was prepared by Esther R. Johnson under the direction of Stephen A. Wandner of the Office of Legislation and Actuarial Services, Unemployment Insurance Service.

The UIOP Series presents research findings and analyses dealing with unemployment insurance issues. Papers are prepared by research contractors, staff members of the unemployment insurance system, or individual researchers. Manuscripts and comments from interested individuals are welcomed. All correspondence should be sent to UI Occasional Papers, Unemployment Insurance Service, Frances Perkins Building, Room S-4519, 200 Constitution Ave., N.W., Washington, D.C. 20210.

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INTRODUCTION

The purpose of this handbook is to provide a ready-reference tool for those interested in short-time compensation (STC) whereby work sharing is tied to pro-rata payment of regular weekly unemployment insurance (UI) benefits, as an alternative to layoffs. This handbook provides:

1. a copy of the federal legislation enacted in 1982;

2. a 1986 evaluation of the short-time compensation (STC) programs in the three States that pioneered in the development of STC programs;

3. a comparative analysis of STC programs and the full text of STC legislation from the twelve States that have enacted such programs;

4. STC reporting instructions and current statistics on State programs; and

5. a list of key STC Regional and State contacts.

Short-time compensation (STC) is a payment of a pro-rata share of the regular weekly UI benefit to workers whose normal hours of work are reduced to prevent the layoff of a portion of the work unit. Employees are compensated for the reduction in the work week under STC with UI benefits pro-rated according to the percentage of reduction in the work week. Sharing the available work can take many forms, depending on the nature of the organization and its productive processes. Reducing the work week from five days to four is the most common form. Other options include shutting down the entire plant for a week or more, reducing the hours of work per day, and alternating or rotating layoffs.

During the Great Depression in the United States, a type of work sharing was prevalent, but workers whose hours were cut were not compensated in any way for the lost time. This form of work sharing became obsolete after the introduction of the Unemployment Insurance System. Twelve states in the U.S. have implemented STC programs to date. California was the first to experiment with the concept in 1978. Arizona followed in 1981, Oregon in 1982, and Washington in 1983. Florida, Illinois, and Maryland implemented STC programs in 1984. Arkansas and Texas joined the group of States with STC programs in 1985 and New York, Louisiana, and Vermont enacted their programs in 1986.

Part I includes the STC provisions of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)--Public Law 97-248. The purpose of these provisions (Sec. 194) was to provide assistance to States which enact STC. The Secretary of Labor was directed to develop model legislative language for use by States implementing STC, to provide technical assistance to those States, and to conduct a study to evaluate the operation, costs, effect on the State insured rate of unemployment, and other effects of State STC programs. Part I also contains a copy of UIPL No. 39-83, transmitting to all State Employment Security Agencies model legislative language for implementing a STC program.

Part II contains a summary of the evaluation study that was conducted in response to TEFRA. This summary was distributed to all State Employment Security Agencies in UIPL No. 12-86.

Part III includes a comparative analysis of the STC programs from the twelve States that have enacted these programs as of June 1987 and the text of the STC legislation from each of the twelve states.

Part IV contains selected statistics on STC programs from the twelve States that have adopted STC as an alternative to layoffs. It also contains an explanation of the reporting requirements for States submitting STC data to the Department of Labor. We would like to express our thanks to these States for verifying and correcting the STC data used in this section.

Appendix A is a list of key STC contact persons in the Regional and State Offices. Appendix B is a bibliography of sources of STC information.

PART I--FEDERAL LEGISLATION

PUBLIC LAW 97-248--SEPT. 3, 1982

SHORT-TIME COMPENSATION

SECTION. 194.

(a) It is the purpose of this section to assist States which provide partial unemployment benefits to individuals whose work-weeks are reduced pursuant to an employer plan under which such reductions are made in lieu of temporary layoffs.

(b)(1) The Secretary of Labor (hereinafter in this section referred to as the "Secretary") shall develop model legislative language which may be used by States in developing and enacting short-time compensation programs, and shall provide technical assistance to States to assist in developing, enacting, and implementing such short-time compensation program.

(2) The Secretary shall conduct a study or studies for purposes of evaluating the operation, costs, effect on the State insured rate of unemployment, and other effects of State short-time compensation programs developed pursuant to this section.

(3) This section shall be a three-year experimental provision, and the provisions of this section regarding guidelines shall terminate 3 years following the date of the enactment of this Act.

(4) States are encouraged to experiment in carrying out the purpose and intent of this section. However, to assure minimum uniformity, States are encouraged to consider requiring the provisions contained in subsections (c) and (d).

(c) For purposes of this section, the term "short-time compensation program" a program means under which--

(1) individuals whose workweeks have been reduced pursuant to a qualified employer plan by at least 10 per centum will be eligible for unemployment compensation;

(2) the amount of unemployment compensation payable to any such individual shall be a pro rata portion of the unemployment compensation which would be payable to the individual if the individual were totally unemployed;

(3) eligible employees may be eligible for short-time compensation or regular unemployment compensation, as needed; except that no employee shall be eligible for more than the maximum entitlement during any benefit year to which he or she would have been entitled for total unemployment, and no employee shall be eligible for short-time compensation for more than twenty-six weeks in any twelve-month period; and

(4) eligible employees will not be expected to meet the availability for work or work search test requirements while collecting short-time compensation benefits, but shall be available for their normal workweek.

(d) For purposes of subsection (c), the term "qualified employer plan" means a plan of an employer or of an employers' association which association is party to a collective bargaining agreement (hereinafter referred to as "employers' association") under which there is a reduction in the number of hours worked by employees rather than temporary layoffs if--

(1) the employer's or employers' association's short-time compensation plan is approved by the State agency;

(2) the employer or employers' association certifies to the State agency that the aggregate reduction in work hours pursuant to such plan is in lieu of temporary layoffs which would have affected at least 10 per centum of the employees in the unit or units to which the plan would apply and which would have resulted in an equivalent reduction of work hours;

(3) during the previous four months the work force in the affected unit or units has not been reduced by temporary layoffs of more than 10 per centum;

(4) the employer continues to provide health benefits, and retirement benefits under defined benefit pension plans (as defined in section 3(35) of the Employee Retirement Income Security Act of 1974, to employees whose workweek is reduced under such plan as though their workweek had not been reduced; and

(5) in the case of employees represented by an exclusive bargaining representative, that representative has consented to the plan.

The State agency shall review at least annually any qualified employer plan put into effect to assure that it continues to meet the requirements of this subsection and of any applicable State law.

(e) Short-time compensation shall be charged in a manner consistent with the State law.

(f) For purposes of this section, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and tne Virgin Islands.

(g)(1) The Secretary shall conduct a study or studies of State short-time compensation programs consulting with employee and employer representatives in developing criteria and guidelines to measure the following factors:

(A) the impact of the program upon the unemployment trust fund, and a comparison with the estimated impact on the fund of layoffs which would have occurred but for the existence of the program;

(B) the extent to which the program has protected and preserved the jobs of workers, with special emphasis on newly hired employees, minorities, and women;

(C) the extent to which layoffs occur in the unit subsequent to initiation of the program and the impact of the program upon the entitlement to unemployment compensation of the employees;

(D) where feasible, the effect of varying methods of administration;

(E) the effect of short-time compensation on employers' State unemployment tax rates, including both users and nonusers of short-time compensation, on a State-by-State basis;

(F) the effect of various State laws and practices under those laws on the retirement and health benefits of employees who are on short-time compensation programs;

(G) a comparison of costs and benefits to employees, employers, and communities from use of short-time compensation and layoffs;

(H) the cost of administration of the short-time compensation program; and

(I) such other factors as may be appropriate.

(2) Not later than October 1, 1985, the Secretary shall submit to the Congress and to the President a final report on the implementation of this section. Such report shall contain an evaluation of short-time compensation programs and shall contain such recommendations as the Secretary deems advisable, including recommendations as to necessary changes in the statistical practices of the Department of Labor.

U.S. DEPARTMENT OF LABOR Employment and Training Administration Washington, D.C. 20213	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL TEURL
	DATE July 29, 1983

DIRECTIVE : UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 39-83

TO : ALL STATE EMPLOYMENT SECURITY AGENCIES

FROM : ROYAL S. DELLINGER
Administrator
for Regional Management

SUBJECT : Model Legislative Language to Implement a Short-Time (Work Sharing) Compensation Program and Recommended Improvements in State Provisions for Partial Unemployment Benefits

1. Purpose. To assist States in developing appropriate legislative language to implement a short-time compensation (also known as "shared work" or "work sharing") program by providing model draft legislation for this purpose and to provide alternatives to encourage individuals to accept part-time employment.

2. References. Section 194 of P.L. 97-248 and pages C-34 to C-49, Manual of State Employment Security Legislation, 1950.

3. Background. Under the provisions of Section 194 of P.L. 97-248 which was enacted on September 3, 1982, the Secretary of Labor is directed to "develop model legislative language which may be used by States in developing and enacting short-time compensation programs." As a means of assuring minimum uniformity throughout the States, the Congress has specified certain guidelines for these programs which it encourages States to utilize in carrying out the intent and purpose of Section 194. That purpose as stated in Section 194(b)(4) is to encourage States to experiment in the implementation of a short-time compensation program.

Section 194 is an experimental provision which is in effect for the three-year period beginning on September 4, 1982. At the conclusion of that period, the guidelines provided for the short-time compensation program are terminated.

RESCISSIONS	EXPIRATION DATE
	September 30, 1985

DISTRIBUTION

I. Draft Language and Commentary to Implement a Short Time Compensation Program

Draft Language

A. Definitions

1. "Affected Unit" means a specified plant, department, shift, or other definable unit consisting of not less than ___ employees to which an approved short time compensation plan applies.

2. "Fringe Benefits" include, but are not limited to, such advantages as health insurance (hospital, medical, and dental services, etc.), retirement benefits under defined benefit pension plans (as defined in Section 3(35) of the Employee Retirement Income Security Act of 1974), paid vacation and holidays, sick leave, etc., which are incidents of employment in addition to the cash remuneration earned.

3. "Short-Time Compensation" or "STC" means the unemployment benefits payable to employees in an affected unit under an approved short-time compensation plan as distinguished from the unemployment benefits otherwise payable under the conventional unemployment compensation provisions of a State law.

4. "Short-Time Compensation Plan" means a plan of an employer (or of an employers' association which association is a party to a collective bargaining agreement) under which there is a reduction in the number of hours worked by all employees of an affected unit rather than temporary layoffs of some such employees. The term "temporary layoffs" for this purpose means the separation of workers in the affected unit for an indefinite period expected to last for more than two months but not more than one year.

5. "Usual Weekly Hours of Work" means the normal hours of work for full-time and permanent part-time employees in the affected unit when that unit is operating on its normally full-time basis, not to exceed forty hours and not including overtime.

6. "Unemployment Compensation" means the unemployment benefits payable under this Act other than short-time compensation and includes any amounts payable pursuant to an agreement under any Federal law providing for compensation, assistance, or allowances with respect to unemployment.

7. "Employers' Association" means an association which is a party to a collective bargaining agreement under which the parties may negotiate a short-time compensation plan.

B. Criteria for Approval of a Short-Time Compensation Plan. An employer or employers' association wishing to participate in an STC program shall submit a signed written short-time compensation plan to the Director for approval. The Director shall approve an STC plan only if the following criteria are met.

1. The plan applies to and identifies specified affected units.

2. The employees in the affected unit or units are identified by name, social security number and by any other information required by the Director.

3. The usual weekly hours of work for employees in the affected unit or units are reduced by not less than 10 percent and not more than ___percent.

4. Health benefits and retirement benefits under defined benefit pension plans (as defined in Section 3(35) of the Employee Retirement Income Security Act of 1974), will continue to be provided to employees in affected units as though their work weeks had not been reduced.

5. The plan certifies that the aggregate reduction in work hours is in lieu of temporary layoffs which would have affected at least 10 percent of the employees in the affected unit or units to which the plan applies and which would have resulted in an equivalent reduction in work hours.

6. During the previous four months the work force in the affected unit has not been reduced by temporary layoffs of more than 10 percent of the workers.

7. The plan applies to at least 10 percent of the employees in the affected unit, and when applicable applies to all employees of the affected unit equally.

8. In the case of employees represented by an exclusive bargaining representative, the plan is approved in writing by the collective bargaining agent; in the absence of such an agent, by representives of the employees in the affected unit.

9. The plan will not serve as a subsidy of seasonal employment during the off season, nor as a subsidy of temporary part-time or intermittent employment.

10. The employer agrees to furnish reports relating to the proper conduct of the plan and agrees to allow the Director or his authorized representatives access to all records necessary to verify the plan prior to approval and, after approval, to monitor and evaluate application of the plan.

In addition to the matters specified above, the Director shall take into account any other factors which may be pertinent to proper implementation of the plan.

C. Approval or Rejection of the Plan

The Director shall approve or reject a plan in writing within ____ days of its receipt. The reasons for rejection shall be final and non-appealable, but the employer shall be allowed to submit another plan for approval not earlier than ____ days from the date of the earlier rejection.

D. Effective Date and Duration of Plan

A plan shall be effective on the date specified in the plan or on a date mutually agreed upon by the employer and the Director. It shall expire at the end of the 12th full calendar month after its effective date or on the date specified in the plan if such date is earlier; provided, that the plan is not previously revoked by the Director. If a plan is revoked by the Director, it shall terminate on the date specified in the Director's written order of revocation.

E. Revocation of Approval

The Director may revoke approval of a plan for good cause. The revocation order shall be in writing and shall specify the date the revocation is effective and the reasons therefor.

Good cause shall include, but not be limited to, failure to comply with the assurances given in the plan, unreasonable revision of productivity standards for the affected unit, conduct or occurrences tending to defeat the intent and effective operation of the plan, and violation of any criteria on which approval of the plan was based.

Such action may be taken at any time by the Director on his/her own motion, on the motion of any of the affected unit's employees or on the motion of the appropriate collective bargaining agent(s); provided, that the Director shall review the operation of each qualified employer plan at least once during the 12-month period the plan is in effect to assure its compliance with the requirements of these provisions.

F. Modification of an Approved Plan

An operational approved STC plan may be modified by the employer with the acquiescence of employee representatives if the modification is not substantial and in conformity with the plan approved by the Director, but the modifications must be reported promptly to the Director. If the hours of work are increased or decreased substantially beyond the level in the original plan, or any other conditions are changed substantially, the Director shall approve or disapprove such modifications, without changing the expiration date of the original plan. If the substantial modifications do not meet the requirements for approval, the Director shall disallow that portion of the plan in writing as specified in section E.

G. Eligibility for Short-Time Compensation

1. An individual is eligible to receive STC benefits with respect to any week only if, in addition to monetary entitlement, the Director finds that:

(a) During the week, the individual is employed as a member of an affected unit under an approved short-time compensation plan which was approved prior to that week, and the plan is in effect with respect to the week for which STC is claimed.

(b) The individual is able to work and is available for the normal work week with the short time employer.

(c) Notwithstanding any other provisions of this Act to the contrary, an individual is deemed unemployed in any week for which remuneration is payable to him as an employee in an affected unit for 90 percent or less than his normal weekly hours of work as specified under the approved short-time compensation plan in effect for the week.

(d) Notwithstanding any other provisions of this Act to the contrary, an individual shall not be denied STC benefits for any week by reason of the application of provisions relating to availability for work and active search for work with an employer other than the short-time employer.

H. Benefits

1. The short-time weekly benefit amount shall be the product of the regular weekly unemployment compensation amount multiplied by the percentage of reduction of at least 10 percent in the individual's usual weekly hours of work.

2. An indivdiual may be eligible for STC benefits or unemployment compensation, as appropriate, except that no individual shall be eligible for combined benefits in any benefit year in an amount more than the maximum entitlement established for unemployment compensation, nor shall an individual be paid STC benefits for more than 26 weeks (whether or not consecutive) in any benefit year pursuant to a short-time plan.

3. The STC benefits paid an individual shall be deducted from the maximum entitlement amount established for that individual's benefit year.

4. Claims for STC benefits shall be filed in the same manner as claims for unemployment compensation or as prescribed in regulations by the Director.

5. Provisions applicable to unemployment compensation claimants shall apply to STC claimants to the extent that they are not inconsistent with STC provisions. An individual who files an initial claim for STC benefits shall be provided if eligible therefor, a monetary determination of entitlement to STC benefits and shall serve a waiting week.

6. (a) If an individual works in the same week for an employer other than the short-time employer and his combined hours of work for both employers are equal to or greater than the usual hours of work with the short-time employer, he or she shall not be entitled to benefits under these short-time provisions or the unemployment compensation provisions.

(b) If an individual works in the same week for both the short-time employer and another employer and his or her combined hours of work for both employers are equal to or less than 90 percent of the usual hours of work for the short-time employer, the benefit amount payable for that week shall be the weekly unemployment compensation amount reduced by the same percentage that the combined hours are of

the usual hours of work. A week for which benefits are paid under this provision shall count as a week of short-time compensation.

(c) If an individual did not work during any portion of the work week, other than the reduced portion covered by the short-time plan, with the approval of the employer, he or she shall not be disqualified for such absence or deemed ineligible for STC benefits for that reason alone.

7. An individual who performs no services during a week for the short-time employer and is otherwise eligible, shall be paid the full weekly unemployment compensation amount. Such a week shall not be counted as a week with respect to which STC benefits were received.

8. An individual who does not work for the short-time employer during a week but works for another employer and is otherwise eligible, shall be paid benefits for that week under the partial unemployment compensation provisions of the State law. Such a week shall not be counted as a week with respect to which STC benefits were received.

I. Charging Shared Work Benefits

STC benefits shall be charged to employers' experience rating accounts in the same manner as unemployment compensation is charged under the State law. Employers liable for payments in lieu of contributions shall have STC benefits attributed to service in their employ in the same manner as unemployment compensation is attributed.

J. Extended Benefits

An individual who has received all of the STC benefits or combined unemployment compensation and STC benefits available in a benefit year shall be considered an exhaustee for purposes of extended benefits, as provided under the provisions of section _____, and, if otherwise eligible under those provisions, shall be eligible to receive extended benefits.

II. Commentary on Draft Language for Short-Time Compensation Program

The guidelines provided in Section 194 of P.L. 97-248 are intended only as minimum criteria that States are asked to follow to assure uniformity in developing an STC program. Whether or not a State uses the criteria is entirely a matter for State officials to decide, since an STC program is not mandatory. The model legislation incorporates those minimum criteria and also other provisions that are believed necessary to give more substance to STC legislation. The latter provisions deal primarily with eligibility conditions, criteria for approval and revocation of short-time compensation plans, entitlement of individuals who work in the employ of employers other than the short-time employer, and applicability of the plan to seasonal and part-time work.

States may need to change various provisions of the model legislation in order to meet their own statutory formats and requirements. Any substantive modifications or additions should, however, be consistent with requirements of the Federal Unemployment Tax Act and Title III of the Social Security Act. Further, since this is an experimental program, it is expected that the experience of States in carrying out these provisions and studies to be made of the program's operation will reveal other matters that should be taken into account for an STC program.

The following is a section by section commentary on the provisions contained in the model legislation.

A. Definitions

1. Affected Unit -- The definition limits and identifies an entity so that the STC plan can be applied selectively. The definition provides for a minimum number of employees to preclude the proliferation of plans covering small numbers of employees. This limitation will reduce problems of administering numerous plans, each for relatively few workers.

2. Fringe Benefits -- While the term is generally understood to include benefits other than the actual remuneration earned, it is defined to ensure that its meaning is clearer. It relates to and implements the guidelines in Section 194(d)(4).

3. Short-Time Compensation -- The term is distinguished from conventional unemployment compensation for purposes of these provisions since short-time compensation (or STC benefits) differs in the amount payable and the conditions of entitlement.

4. Short-Time Compensation Plan -- In many instances, collective bargaining agreements are negotiated between an employers' association, on behalf of its constituent employers, and the labor organization representing their workers. The definition permits a plan to be submitted by such an association as well as by individual employers. The criteria for approval of a plan submitted by an individual employer also apply to a plan submitted by an employers' association.

Section 194(d) provides for a short-time compensation program in lieu of "temporary layoffs." The quoted term is not defined; however, its intent is to make the program applicable to employees who would, though laid off, retain an attachment to the employer. The plan would apply to employees some of whom would be laid off if there were no such plan for a period long enough to justify its administration, but not longer than the one year approval period. Full-time separations for longer than one year would not ordinarily be considered temporary.

5. Usual Weekly Hours of Work -- A short-time compensation or STC plan is suitable only when normal hours are reduced. Overtime hours and hours in excess of 40 are not included as part of a work week because the generally accepted work week is forty hours. The definition would permit a plan for a unit where the usual work week is less than 40 hours, and the actual hours worked are fewer than the usual work week.

Note that the definition is restricted to regular full-time and permanent part-time employees only. Such workers should be defined. The definition should specify the minimum number of hours of work per week so that individuals who work minimally or sporadically are not included in the plan. In general, it is recommended that temporary part-time and intermittent workers be excluded from the plan. The fluctuation in hours worked (and resulting earnings) usually is not the result of diminished economic activity to which the STC program is a response.

6. The term "unemployment compensation" is used here solely for purposes of distinguishing benefits paid under the conventional unemployment compensation program from those paid under the STC program. As such, it applies to any regular, extended or additional unemployment compensation payable under State law, and any amounts payable pursuant to agreements by the State under any Federal unemployment compensation law. This distinction does not alter the designation of STC benefits as unemployment compensation for other applicable purposes.

7. Employer' Association -- The term is defined in accordance with the definition in Section 194(d) of P.L. 97-248. It identifies employer associations that may submit short-time compensation plans for approval by the Director of a State agency.

B. Criteria for Approval

This section establishes the requirements for approval of a short-time compensation plan and prescribes the form for submittal of a plan.

1. Paragraph 1 contains the specifications for identifying a plant, department, shift or other definable unit to which the plan applies. For example: Plant A at 123 Walnut Street; the finishing department at Plant A, 123 Walnut Street. A reduction in hours would apply to all of the employees in an affected unit or to an identifiable group of employees in the same entity. If a reduction in hours worked is to apply to a group of employees within a unit, it should not single out women, minorities, or the most recently hired.

2. The employees covered by the plan need to be identified so that their claim records can be distinguished from non-plan claimants employed by the same employer. STC plan claimants will normally be entitled to a different weekly benefit amount than regular claimants. The number of weeks for which STC benefits are payable and the expiration date of the plan must be noted.

3. The percentages for minimum and maximum reduction in hours worked should be determined on the basis of general State economic conditions and particular conditions in various industries and occupations. The minimum is specified to accord with the guidelines contained in Section 194(c)(1). Such a minimum is desirable to exclude relatively insignificant work reductions. Such unemployment may or may not be compensated under the partial benefit

4. The health and retirement benefits criterion seeks to ensure that reductions in fringe benefits will not be made to the detriment of the employee. The employer benefits available to the affected work force would remain stable for at least the duration of the plan.

This provision implements Section 194(d)(4) which requires short-time employers to "provide health benefits and retirement benefits under defined benefit pension plans (as defined in Section 3(35) of the Employee Retirement Income Security Act of 1974) to employees whose work week is reduced under such plan as though their work week has not been reduced."

Section 3(35) provides:

"(35) The term 'defined benefit plan' means a pension plan other than an individual account plan; except that a pension plan which is not an indivdiual account plan and which provides a benefit derived from employer contributions which is based partly on the balance of the separate account of a participant--

(A) for the purposes of Section 202, shall be treated as an individual account plan, and

(B) for the purposes of paragraph (23) of this section and Section 204, shall be treated as an individual account plan to the extent benefits are based upon the separate account of a participant and as a defined benefit plan with respect to the remaining portion of benefits under the plan."

5. The certification on hours of work reduced accords with the guidelines in Section 194(d)(2). The intent is to ensure that the short-time plan is a substitute solely for layoffs.

6. The intent of the four-month hiatus contained in Section 194(d)(3) is to ensure that the reduction in hours is a relatively recent response to diminished economic activity and not a step in a long-term process of layoffs. The four-month hiatus is intended to discourage the layoff of less skilled and more recently hired workers before initiation of a short-time plan.

7. The 10 percent factor is contained in Section 194(d)(2). It makes the plan applicable to a minimum percentage of the employees of an affected unit. The employer would be required to certify that the aggregate reduction in hours

worked would have resulted in an equivalent reduction in the form of full-time layoffs.

8. An affected unit may include employees covered by more than one collective bargaining agreement, depending on the variety of skills and whether there are individual craft union agreements or a single industrial union type of agreement. Agreement by the collective bargaining agent(s) involved is provided to ensure that both labor and management are satisfied with the plan and to minimize possible problems in connection with approval of the plan. For similar reasons, the approval of workers in an affected unit not covered by a collective bargaining agreement should also be obtained.

9. Short-time compensation plans are not intended to address variations in economic activities which are an inherent part of the industry or occupation, as for example, the diminished activity that follows the summer peak in vegetable canning. Short-time plans should apply generally to situations in which there is primarily a full-time and, perhaps, a permanent part-time work force which has to be reduced because of economic conditions. This criterion is basically a judgmental matter which should be applied on the basis of the history of the affected unit.

10. The Director may need to examine company records for information in addition to that furnished with the proposed plan. Access to employer records may be necessary to determine whether the plan is operating as approved or whether approval should be revoked.

The last paragraph permits the Director to consider factors other than those specified in the criteria for approval of a plan. If such other factors are applied, they should be identified in the written approval or disapproval of a proposed plan.

The agency should develop informational material for employers, employers' associations and labor organizations which set forth the requirements for an STC plan. By doing so, the agency will be able to review more expeditiously plans submitted for approval.

C. Approval or Rejection of the Plan

The period of time within which a plan should be approved or rejected should be specified so that the purposes of an STC plan may be realized promptly.

The reasons for rejection should be specified as a matter of good administrative practice and to inform the applicant-employer of the plan's defects so that they may be remedied in any future application. The rejection of a plan would be non-appealable in a formal sense because an appeal would be time consuming and because the defects causing the rejection can be readily remedied in a revised application. Such a non-appealable decision would not raise issues under Sections 303(a)(1) or (3) of the Social Security Act because it does not involve the denial of benefits to a claimant. If a State prefers to provide for administrative appeal by the employer-applicant, the provision should be modified to provide for appeal rights under the current administrative review provisions of its State law.

A minimum period is specified before another plan can be submitted to preclude a hasty second submission without adequate correction of the defects causing rejection of the earlier plan.

D. Effective Date and Duration of Plan

Both the employer and the agency need time to prepare for the beginning of the plan. Thus, the plan may take effect at a specified time in the future. If denied, an effective date coinciding with the date of application for approval may be used.

Short-time compensation plans are not intended to address long-term adverse economic conditions. Accordingly, a 12-month duration is provided in accordance with the guidelines of Section 194(c)(3). The 12-month period may be modified to meet particular State needs.

E. Revocation of Approval

The Director should have the authority to revoke approval if the plan is not being carried out according to its terms and intent, especially if there are full-time layoffs in an affected unit contrary to the approved plan and the employer's certification. This subsection provides authorization for such revocation. To accommodate the guidelines in Section 194(d)(5), it provides for review of the short-time compensation at least on an annual basis to assure that the plan continues to meet the prescribed requirements. The State agency should provide for methods of monitoring operation by the employer of the approved plan.

F. Modification of an Approved Plan

The conditions under which a plan was initially submitted and approved may change. The changed conditions may warrant modification of the original approved plan. These provisions permit such revisions under specified conditions. It may, on the other hand, be considered more desirable to provide that modification of a plan in operation serves to terminate it and that the modification constitutes a new plan. If this approach is chosen, these provisions will need to be changed accordingly.

G. Eligibility for Short-Time Compensation

1. In order for an individual to qualify for STC benefits, he or she must be eligible for conventional unemployment compensation to the extent that the requirements therefor are not inconsistent with the provisions of the STC program. Among these requirements are the wage qualification requirement, disqualification provisions, waiting period and modified claim filing and reporting procedures.

The provisions in paragraph (a) of Section G.1. are necessary to establish that the individual is a member of an affected unit under a short-time compensation plan approved by the agency. It assures eligibility for benefits only for those weeks in which the plan is in effect.

The availability and actively seeking work requirements for a short-time compensation program are modified for consistency with the guidelines in Section 194(c)(4) of P.L. 97-35. Under those guidelines, employees will not be expected to meet the normal able and available requirements except for being available for their normal work week.

The provisions in paragraph (c) of Section G.1. will override the normal definition of unemployment which would not, otherwise, permit a short-time compensation employee to be deemed unemployed because of the amount of services performed and wages received.

H. Benefits

1. The STC weekly benefit amount is the percentage of the weekly unemployment compensation benefit amount by which the weekly hours are reduced by 10 percent or more. Example: Weekly benefit amount is $100. Weekly hours reduced by 30 percent. Short time weekly benefit amount is $30.00.

This weekly benefit amount is payable for each week for which the claimant is otherwise eligible, regardless of his earnings, subject to specified exceptions. Example: Individual on STC works the reduced hours with the short-time employer. He is paid wages of $150.00. He is nevertheless entitled to the short-time weekly benefit amount of $30.00 regardless of the partial benefit provisions.

2. The maximum number of weeks for which a short-time employee can receive regular short time benefits during the 52-week life of the plan is 26 weeks. This may involve a number of such weeks extending over two consecutive benefit years. In States with variable durations, this provision may need to be modified for the different durations. Note that the maximum is expressed as a number of weeks in a benefit year. Thus, any week for which an individual receives STC benefits, regardless of the amount, is counted toward the maximum.

3. This provision implements Section 194(c)(3) which limits short-time benefits to the maximum unemployment compensation amount for the benefit year.

4. Claims for short-time benefits may, in general, follow the procedure for regular benefits. Special procedures to reflect unusual situations should, however, be adopted for short-time compensation claims as they are for unemployment compensation claims in special situations. The State agency may suitably modify procedures recommended in Section 5470-5479, Part V, Employment Security Manual, or its own partial benefit claims procedures.

5. The disqualification provisions, claim filing requirements, etc., that apply to conventional unemployment compensation claimants may apply or may be modified to apply to STC claimants. The availability and actively seeking work requirements and the partial benefit provisions would not, however, apply except to the extent prescribed under the eligibility requirements for the STC program as specified herein.

6, 7 and 8. These provisions attempt to deal with situations in which the STC employee may work for an employer other than the short-time employer or when he has no work with that employer. They attempt to retain the short-time concept with respect to work with other than the short-time employer and to retain the unemployment compensation character of benefits when the individual has no work with the short-time employer. If the individual is given time off from work by the employer

for any portion of the work week not subject to reduced hours under the short-time plan, he will, nevertheless, not be deemed ineligible for short-time benefits solely for that reason; provided, that the individual remained available for and accepted all work made available to him by the short-time employer during hours reduced under the plan.

I. Charging Short-Time Benefits

STC benefits are benefits paid from the State unemployment fund under special conditions. Accordingly, for consistency with the experience rating and reimbursement requirements under FUTA, they must be charged or attributed (in the case of reimbursers) in the same manner as conventional unemployment compensation.

Although the cost of STC benefits will normally be recovered by contributions required by States' experience rating systems, as a result of experience rating charges or reimbursements, this will not always be the case with regard to employers who pay contributions at the maximum rate assigned under a State's schedule of rates. If a State wants an employer participating in a short-time compensation program to be responsible for all of the STC attributable to the employer, the State law should include a provision imposing a surcharge to cover the amount of STC benefits paid in excess of the contributions collected at the maximum rate for unemployment compensation. Such a charge should be high enough to cover the costs of STC benefits without discouraging or preventing employers from participating in the program. No draft language has been provided for this purpose because of the multiplicity of experience rating provisions in State laws.

J. Extended Benefits

For purpose of the extended benefits program required under the provisions of the Federal-State Extended Unemployment Compensation Act of 1970, any STC received by an individual is considered to be "regular compensation" as the term is used under that Act. Consequently, an individual who has received all of the STC or combined short-time and unemployment compensation that are available in a benefit year would be entitled to extended benefits if otherwise eligible. Such extended benefits shall be charged or noncharged in the same manner and to the same extent as

extended benefits paid to an exhaustee of unemployment compensation and to the same extent as extended benefits are attributed or non-attributed to a reimbursing employer.

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
Washington, D.C. 20213

CLASSIFICATION
UI
CORRESPONDENCE SYMBOL
TEU
DATE
February 13, 1986

DIRECTIVE: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 12-86

TO : ALL STATE EMPLOYMENT SECURITY AGENCIES

FROM : BARBARA ANN FARMER
Acting Administrator
for Regional Management

SUBJECT : Short Time Compensation (STC) Evaluation

1. Purpose.

a. To keep the SESAs informed of the experience of selected States with STC.

b. To transmit a summary report entitled "An Evaluation of Short Time Compensation Programs" which Secretary Brock recently forwarded to the President and Congress in accordance with Section 194 of the Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97-248).

2. Background. Secretary Brock recently forwarded a report entitled "An Evaluation of Short-Time Compensation Programs." Mathematica Policy Research conducted this study of STC for DOL. The attached report summarizes the results of that study.

3. Action Required. Administrators are to provide this information to appropriate staff.

4. Inquiries. Inquiries on this subject should be made to the appropriate Regional Office.

Attachment

RESCISSIONS	EXPIRATION DATE
	February 28, 1987

DISTRIBUTION

GPO 901-893

ETA 6-148
Nov. 1975

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

December 27, 1985

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am enclosing a summary report entitled "An Evaluation of Short-Time Compensation Programs," which was mandated by Section 194 of the Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97-248). The summary report addresses the nine issues that were identified for study in subsection (g) of section 194.

The summary report examines the experience of three States (California, Arizona, and Oregon) that had implemented short-time compensation programs by August 1982 and whose programs therefore have sufficient results for analytic study. Various practical constraints on the study design, the time available, and the availability of data limited the information that could be obtained regarding some of the nine issues that were addressed.

If additional information is required, please have a member of your staff contact Roger D. Semerad, Assistant Secretary for Employment and Training, on 523-6050.

Very truly yours,

WILLIAM E. BROCK

WEB:mlr

Enclosure

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

December 27, 1985

The Honorable George Bush
President
United States Senate
Washington, D.C. 20510

Dear Mr. President:

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WEB:mlr

Enclosure

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

December 27, 1985

The Honorable Thomas P. O'Neill, Jr.
Speaker of the
House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

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If additional information is required, please have a member of your staff contact Roger D. Semerad, Assistant Secretary for Employment and Training, on 523-6050.

Very truly yours,

WILLIAM E. BROCK

WEB:mlr

Enclosure

Contract No. 99-3-0805-77-117-01 OMB No. 1205-0230

SUMMARY REPORT

AN EVALUATION OF SHORT-TIME COMPENSATION PROGRAMS

December 1985

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This report was prepared for the Employment and Training Administration, U.S. Department of Labor, under Research and Evaluation Contract No. 99-3-0805-77-117-01. Since contractors conducting research and evaluation projects under government sponsorship are encouraged to express their own judgments freely, this report does not necessarily represent the official opinion or policy of the Department of Labor. Mathematica Policy Research, Inc., is solely responsible for the contents of this report.

The research was inspired by Linda Ittner, who served on the staff of the U.S. House of Representatives' Select Committee on Children, Youth, and Families. In short-time compensation she sought a program that would protect workers and their families from the hardships of layoffs, without placing additional burdens on employers and the government. With her untimely death, we will greatly miss her ideas, common sense, and energy.

EXECUTIVE SUMMARY

This report summarizes research on short-time compensation (STC) programs undertaken in response to Section 194 of the Tax Equity and Fiscal Responsibility Act of 1982. The Act explicitly recognized the growing number of states that have adopted STC programs as part of their overall Unemployment Insurance (UI) system, and raised many important questions in response to those efforts. The results summarized herein are organized around nine specific questions raised by Congress.

STC programs allow workers to receive partial unemployment benefits in the event that they suffer significant reductions in their hours of work. Employees who have their work time reduced by, say, one day per week might be eligible for one-fifth of their usual weekly UI benefits. This policy differs from previous UI law under which such workers would typically be ineligible for any benefits. It is generally believed that broadening the conditions under which UI benefits may be paid will help mitigate the "pro-layoff" bias inherent in the UI system and, instead, encourage employers to adopt reduced-hours strategies during recessionary periods that necessitate reducing their employment levels. In turn, such strategies may lead to significant social benefits by mitigating the costs often associated with laying off and recalling workers and, possibly, by spreading the burden of unemployment more equitably.

This report focuses primarily on the STC experiences from mid-1982 to mid-1984 of the three states that had operated the program for the longest period of time: California, Arizona, and Oregon. Most of the analysis is based on information from approximately 1,000 employers in these states, about 45 percent of whom participated in the STC study. These data are supplemented by a detailed analysis of the administration of STC programs in the three states and elsewhere. The general purpose of this analysis was to determine the extent to which the STC programs met their intended goals, and at what possible benefits or costs to employers and the UI system.

Before these results are briefly summarized, a few caveats about the research should be mentioned. First, most of the research involved only three states, and in two of them (Arizona and Oregon) the STC programs were implemented only

recently. Thus, the extent to which the results can be generalized to other states or time periods is uncertain. Second, the primary research methodology was to compare the outcomes observed for STC employers with those observed for otherwise similar employers which did not use STC; however, although the two groups of employers were similar and a variety of techniques were used to ensure that the comparisons between them were valid, the possibility remains that the employers may not in fact have faced similar economic circumstances, and, hence, the comparisons may not reflect the true impacts of STC participation. Finally, budgetary and other constraints severely limited the type of information that could be collected for the evaluation. Most of the analysis was based on readily available UI administrative records and on a brief telephone interview administered to the sample firms. Hence, because information was not collected directly from workers, the direct effect of STC on them could not be measured. Similarly, the relatively small scale of the data collection effort precluded any detailed investigation of the impact of STC participation on the relative productivity of the operational performance of employers. Hence, it was not possible to judge whether STC participation significantly improved their operational performance relative to a layoff-based strategy. Nonetheless, despite these drawbacks, the study does present a much wider variety of information on the possible impact of STC programs than has previously been available.

The results of the study are highlighted here according to the nine questions explicitly raised by Congress:

1. STC participation did seem to reduce the extent to which layoffs were made during the 1982-1983 primary study period. The extent of these reductions in layoffs varied among the three states (average reductions were the largest in Oregon and the smallest in California). Most STC participation employers used a mixed strategy of employment reductions that featured both reduced hours and layoffs.

2. Although total hours of regular UI collection were lower for STC participating firms, the average total hours of compensated unemployment (including both regular UI and STC benefits) were somewhat higher for those firms. Again, the extent of this additional compensated unemployment varied significantly by state (it was greatest in California and smallest in Oregon).

3. Patterns of employment and layoffs for minority and female employees were quite similar between STC

participating firms and nonparticipating firms. Hence, no significant impact of STC participation on affirmative-action outcomes was observed.

4. STC benefit payments were generally more effectively experience-rated than were regular UI benefit payments. STC participants tended to experience somewhat greater increases in UI tax rates during the study period than did nonparticipating employers.

5. On a per-employee basis, average total (UI plus STC) benefit charges were higher among STC participating employers than among employers in the comparison group. Although such additional charges may have imposed a short-term drain on UI trust-fund reserves, the longer-term impact was significantly mitigated by the more complete experience-rating of STC benefits.

6. Practically all employers retained health and retirement benefits for workers who were placed on reduced hours. Although state laws generally did not require that benefits be maintained as a condition for STC participation, firms seem to have followed that practice anyway.

7. In general, STC programs seemed to be administered in a similar manner across the various states, although many differences in specific details were observed. Through their procedures, all states tried to limit STC use for the purpose of acting as an alternative to layoffs during temporary downturns. However, the small number of states in the study precluded any precise evaluation of their success in doing so.

8. STC participation did help firms save on the hiring and training costs that would have been associated with layoffs. However, for some firms, these savings were counter-balanced by the higher fringe benefit costs involved in STC participation. The effects of STC use on productivity were not measured, and it is possible that such effects dominated these other cost considerations.

The administration of STC benefit payment activities on a per-layoff-equivalent basis was somewhat more expensive that the administration of regular UI. The additional costs associated with extra weekly benefits activities outweighed the savings on initial claims and ongoing eligibility determinations that occurred under STC. However, the costs of

STC administration may decline over time as experience with the program accumulates.

A major issue not addressed in the congressional mandate for the present study concerns the determinants of STC participation. The reasons for the currently low levels of participation (less than 1 percent of all employers) are not well understood. Whether they are due to deterrents that may diminish in importance over time (possibly including the lack of information on the program) or to more permanent problems (possibly including the unsuitability of the program for many employers) could not be determined within the scope of the present study. Hence, the study offers only a very limited basis for extrapolating STC participation rates into the future.

AN EVALUATION OF SHORT-TIME COMPENSATION PROGRAMS

INTRODUCTION

This report summarizes a major research study of short-time compensation (STC) programs operating in Arizona, Oregon, and California, which was undertaken in response to Section 194 of the Tax Equity and Fiscal Responsibility Act of 1982. The Act reflects the recognition of Congress that states have increasingly been adopting STC components within their basic Unemployment Insurance (UI) laws, whereby workers may collect partial benefits for temporary reductions in their normal hours of work. Because STC programs may help reduce temporary layoffs during economic downturns, considerable interest has been expressed not only in whether that goal can be achieved, but, more specifically, in how the programs affect workers, employers, and the government--the three groups of actors whose interests and needs must be balanced against each other. The present study represents a starting point in an evolving examination of these issues. Although time, budgetary, and specific conceptual constraints limited (in some cases severely) the number of issues raised by Congress that could be addressed adequately, this study offers a much larger body of evidence on STC than has previously been available.

This research summary consists of four additional sections. Section I provides some general background on the evolution of the STC concept in the United States, and discusses the congressional mandate that led to the present study. Section II provides details on both the study design and the various limitations inherent in the research methods that were used. Section III then summarizes the principal results of the study. Section IV concludes the report by briefly indicating some of the major questions that remain unanswered, as well as by suggesting future research approaches that might respond to those questions.

I. BACKGROUND

Short-time compensation is an alternative to laying off employees, whereby a larger group of workers simply work shorter work weeks and are compensated for their lost work time with partial Unemployment Insurance benefits. Thus, STC may represent a vehicle for reducing layoffs by enabling affected workers to receive UI compensation under a broader set of conditions than those that apply under regular UI. As it has been implemented in the United States, STC has been viewed as a work-force stabilization program that can be used during temporary periods of economic downturn that are expected to have only short-term effects on the labor needs of employers.

To illustrate how STC can be used, consider an employer which must temporarily make a 20 percent reduction in its workforce. It may of course opt for laying off a selected 20 percent of its employees. Conversely, it may elect to reduce all workers' time by 20 percent (e.g., one day per week) in lieu of those layoffs. All affected workers would be eligible for 20 percent of their weekly UI benefit to compensate for the 20 percent reduction in hours. This larger group of workers would then work 80 percent of their previous hours and would receive more than 80 percent of their previous take-home income. No workers would lose their jobs.

Relative to layoffs, STC programs may offer significant advantages to both employees and employers. For employees, the program protects them from the financial burden of job loss, and enables them to maintain their job-specific skills. Mitigating job losses may lead to a wide variety of broader social benefits--in particular, to reductions in payments under other transfer programs (such as AFDC or Food Stamps), to larger government tax collections, and to reductions in the social pathologies that are often associated with unemployment (for example, increased criminal activities or a deterioration in health). For employers, the program helps keep the production process running smoothly, precludes the costs of hiring and training new employees during economic recovery, and offers greater flexibility in terms of responding quickly to either adverse economic conditions or economic recovery. Thus, the program may lead to increased productivity. From the government's perspective, STC programs may reduce

the expenditures that are often associated with unemployment, such as increased welfare benefits and the costs of job-search and related employment programs.

Offsetting these potentially significant benefits, STC use may impose costs on employees and employers. For employees, the largest STC cost would be the partial income loss for those who would not have been slated for layoffs. For employers, several costs could be incurred. They could face higher fringe-benefit costs than had they opted for layoffs, since it might not be practical or desirable to reduce fringe benefits in proportion to the reduced hours under STC. Employers might also incur ongoing STC administrative costs (costs that would not be incurred under layoffs), and STC use may raise an employer's UI taxes because of the way in which such taxes are experience-rated. More generally, STC programs may impose net costs on the UI system, since the UI trust funds (which have been strained during recent recessions) could be burdened even further if any possible increased benefits payable under STC are not fully balanced by increased tax collections.

Although they have a long history in many European countries, short-time compensation programs were introduced in the United States only in 1978, when California implemented its Work Sharing Unemployment Insurance program to mitigate the public-sector employment problems that were expected to develop under Proposition 13. STC remained a much-discussed concept for several years after its implementation in California, but the catalyst for its expansion seems to have been the onset of the 1982 recession. In response to the economic downturn, Arizona implemented an STC program in January 1982, and Oregon followed in July 1982. After a short period, programs were then established in Washington (August 1983), Florida (January 1984), and Illinois and Maryland (both in July 1984). Moreover, programs are currently being implemented in Arkansas, Texas, and New York. During this period, Congress came to recognize the STC concept as a potentially effective vehicle for reducing temporary layoffs. In 1982, Congress passed the Tax Equity and Fiscal Responsibility Act (P.L. 97-248), which contained a section (Section 194) devoted specifically to short-time compensation. In addition to suggesting a number of ways in

which the federal government could help states implement STC programs, the Act mandated that a study be undertaken in consultation with employee and employer representatives. The law explicitly required that the study address the following nine issues:[1]

1. The extent to which layoffs occur in the production unit subsequent to the initiation of the program, and the impact of the program on the entitlement of employees to unemployment compensation;

2. The extent to which the program has protected and preserved the jobs of workers, with special emphasis on newly hired employees, minorities, and women;

3. The effect of short-time compensation on the state unemployment tax rates of employers, including both users and nonusers of short-time compensation;

4. The impact of the program on the unemployment trust fund, and a comparison of this impact with the estimated impact of layoffs which would have occurred in the absence of the program;

5. The effect of various state laws and the practices under those laws on the retirement and health benefits of employees who participate in short-time compensation programs;

6. Where feasible, the effect of various administrative methods;

7. A comparison of the benefits and costs to employees, employers, and communities from using short-time compensation and layoffs;

8. The administrative costs of the short-time compensation program; and

9. Such other factors as may be appropriate.

This summary report (and the larger technical report from which it was adapted) attempts to analyze the full set of issues raised by

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[1] To facilitate the presentation, the order of these questions has been changed from the order specified in P.L. 97-248.

Congress. However, various practical restrictions with the study design, the limited availability of data, and budgetary constraints limited (in some cases severely) what could be learned about some of the issues. Hence, this report stops far short of providing complete or totally satisfactory answers to all of the congressional questions. In order to help the reader understand these limitations and to place the study within a general policy perspective, the next section briefly describes its overall design.

II. STUDY DESIGN

This study is based on the program experiences of Arizona, Oregon, and California--the three states that had implemented STC programs by July 1982, and, hence, whose program results can provide a sufficient analytical foundation for the study. However, even in these states, STC remains a very small operational program, consistently accounting for less than 1 percent of all regular state UI payments and involving fewer than 1 percent of all employers in each state. Hence, extrapolating the study results to other states or to a scenario of more widespread program use would be particularly risky.

Because the issues outlined by Congress pertain largely to the decisions faced by individual employers, the study focused primarily on the behavior of employers.[1] Some issues pertain more directly to employees, and are addressed on the basis of employee data aggregated on a per-employer basis. However, because budgetary constraints precluded collecting data directly from individual employees, the capacity of the study to examine issues that required such data was quite limited. Additional issues pertaining to benefit payments and taxes under the UI system were also addressed, primarily on a per-employer basis. However, broader questions about the effect of STC on other components of government or on the welfare of the community at large were outside the scope of the study.

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[1] Specifically, the analysis focused on the Unemployment Insurance tax-filing unit.

The STC-use study period was defined as the state fiscal year (FY) 1983 (July 1, 1982, through June 30, 1983). In general, the study sought to answer three basic questions:

1. Given the economic conditions facing employers during FY1983, what choices did they make regarding STC use versus layoffs?

2. What were the implications of those choices during FY1983 on employment decisions, on employers' employment-related costs, and on the UI system?

3. What were the implications of those choices in the subsequent period?

Because the study period was encompassed primarily within a national recession and (in late 1983) the beginning of a recovery, the study results should be interpreted in terms of this type of period in a business cycle.

To provide the basis for responding to the majority of the congressional issues, a telephone survey was administered to all employers which used STC in Arizona and Oregon during the study period and to a stratified random sample of employers which used STC in California during the same period. A comparison sample of non-STC users from each state was then selected to match the STC sample in terms of key employer characteristics. These characteristics included (1) industry (three-digit Standard Industrial Classification), to reflect production technologies and market conditions and trends; (2) UI tax rate, to reflect employment and labor-turnover trends; and (3) employment size, to reflect scale. This procedure yielded a sample of employers which exhibited similar characteristics and presumably faced similar economic conditions and pressures as did the STC sample, but which did not use STC. Information from the survey itself was used in the research to control further for employers' economic circumstances.

In addition to information gleaned from these telephone interviews with employers, data were collected from two other primary sources:

1. UI administrative records on the UI and STC benefits paid to employees and the UI taxes paid by employers in the sample; and

2. In-person interviews with state UI and STC administrative personnel.

The study relied on the UI records data for most of its quantitative analyses, since these data were believed to be more complete and accurate than the survey data.

Table 1 presents the basic characteristics of the employers in the final research sample. Overall, the main sample consisted of 988 employers, which were approximately equally divided between STC participants and comparison employers in the three study states. Employers were heavily concentrated in durable manufacturing.[1] Most employers had UI tax rates in the "middle" range. However, a fairly large number had rates in the "high" range (i.e., near the state maximum rates).[2] In all of the states, the median number of employees fell within the 11-50 range--that is, the employers in the sample were generally neither very large nor very small. By design, employers in the comparison sample exhibited characteristics that were quite similar to those of the employers which participated in STC (at least in terms of industry, UI tax rate, and employment).

Before the results of the study are summarized, three important limitations with its overall design should be stressed. The first is that the study involved only three states, each of which exhibited low levels of STC use. Because of sample-size constraints and the fact that the Arizona and Oregon programs were modeled after the California program, the original

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[1] Although the comparison and STC participant samples were matched as closely as possible along several dimensions, relatively small differences among the samples may have occurred, primarily because some firms closed subsequent to sample selection, and because some data were missing.

[2] Tax rates in the "high" range imply that, depending on the extent to which employers used STC, they might have been subject to surtaxes imposed by the states for participating in the program (see the discussion in the section on "STC and Employers' Tax Rates").

TABLE 1

CHARACTERISTICS OF THE SAMPLE OF STC
AND COMPARISON EMPLOYERS BY STATE
(In Percent)

Characteristics	Arizona		Oregon		California	
	STC	Comparison	STC	Comparison	STC	Comparison
Industry						
Construction and Other Primary	3.1	6.7	4.5	5.4	6.6	10.2
Nondurable Manufacturing	10.7	8.4	8.3	11.3	8.4	9.0
Durable Manufacturing	48.9	44.4	32.3	31.0	41.6	33.9
Transportation, Communications, and Utilities	1.5	1.1	-	-	1.8	4.0
Wholesale Trade	9.2	10.1	20.3	17.7	10.2	7.4
Retail Trade	7.6	10.1	6.8	5.4	6.0	9.0
Finance and Services	19.1	19.1	27.8	29.1	25.3	26.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Regular UI Tax Rate[a]						
Minimum	2.2	1.6	12.8	10.3	0.0	1.1
Middle	82.7	72.2	69.6	76.7	90.9	87.9
High	13.7	22.0	16.0	12.6	6.8	7.2
Maximum	1.4	4.2	2.1	1.5	2.8	5.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Number of Employees						
1-10	22.9	27.0	27.8	32.0	24.7	33.3
11-50	35.9	42.7	43.6	43.8	27.7	27.7
51-250	30.5	21.9	24.1	21.7	21.7	21.5
250+	10.7	8.4	4.5	2.5	25.9	17.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Number in Sample (Total 988)	131	178	133	203	166	177

NOTE: Characteristics are based on the second quarter of 1982.

[a] Different tax-rate ranges were used for each state. See Chapter III of the technical report for details.

research strategy was to pool the three state samples into a common research sample. While the actual analysis provided some statistical support for such pooling, the pattern of results that emerged differs substantially among the states. Consequently, this report (and the larger technical report) emphasizes the results from individual states when they seem relevant. As will become evident, the practical result of these differences is that it is extremely difficult to generalize from the experiences of the three study states to other states that are using STC or might use it in the future.

The second limitation derives from using a comparison-group methodology. Ideally, an experimental design in which firms are assigned randomly to STC and non-STC groups would have enabled the research to evaluate the experience of STC users directly relative to what that experience would have been had STC not been available. However, the fact that STC was an established program in each study state precluded the random assignment of firms on operational grounds. Furthermore, had the operational problems been overcome, the limited use of STC in at least two of the states would have precluded the random assignment of STC applicants on sample-size grounds. Therefore, the best available option for evaluating the experience of STC users relative to what their experience would have been in the absence of STC was to match the sample of STC firms carefully to a similar group of nonusers (the comparison group) and to use appropriate statistical techniques in the analysis. Despite these efforts, a number of issues remain in terms of who should be included in the comparison group and which statistical techniques are required. Furthermore, even though the matching was undertaken with great care and with the best available data, the STC and comparison samples are not identical, due to matching difficulties, firm closings, and survey refusals. Thus, conclusions about the "effects" of STC use reported herein are subject to greater methodological problems than had it been possible to study STC on the basis of an experimental study design. While it is impossible to judge precisely the presence or magnitude of such problems, this report (and, to a greater extent, the technical report) does examine the sensitivity of the results to alternative assumptions and techniques.

The third limitation pertains to the types of questions that could be addressed with the available data. The absence of data directly from employees meant that questions on their attitudes, overall economic well-being, use of other government programs, or labor-market experience could not be addressed. Even for employers, constraints in the interviewing process precluded collecting some information relevant to assessing important ramifications of STC. For example, detailed productivity measurement posed significant conceptual problems, and collecting information to support it would have been prohibitively expensive given the sample sizes involved. Similarly, extensive hypothetical questions on the behavior of employers under alternative scenarios were not included because of the dubious validity of such questions. All of these data limitations, then, guided the study toward focusing primarily on a descriptive analysis of the employers which used STC and the nature of their relationship to the UI system. Hence, at best, the study provides only suggestive answers to some of the STC-relevant questions that have been raised to date.

III. THE RESULTS OF THE STUDY

The results of the study on the STC program are presented according to the nine issues raised by Congress. In discussing each of these issues, this report attempts to illustrate the specific results obtained from the analysis, to place those results within a broad policy context, and, where relevant, to indicate the potential drawbacks to generalizing the results to other contexts.

STC Participation and Layoff Patterns

When the need for workers declines temporarily (as in a recession), an employer can adopt three general strategies for making the necessary adjustments. Most simply, the employer may choose to do nothing, continuing with its present workforce in the belief that the decline will last only for a short duration. Alternatively, the employer may opt to reduce the hours worked by its employees until demand revives. Finally,

the employer may lay off workers on a full-time basis, with plans for recalling them when they again become needed.[1]

In recent years, there has been much discussion about the "pro-layoff bias" of the U.S. economy during recessions. That is, relative to other Western nations, the U.S. labor market seems more susceptible to an increasingly large number of layoffs and the social problems that they may cause during economic downturns. Proposed explanations for the preference of employers for layoff strategies over other forms of work-force adjustments range from broad issues of labor-management relations to rather technical questions about how the U.S. Unemployment Insurance system affects the decisions that must be made by employers. Whatever the explanation, one clear goal of STC is to reduce the incidence of layoffs and the ensuing unemployment by providing compensation to employees who work reduced hours. One of the primary objectives of this study was to examine the extent to which STC achieves this goal.

Previous research on the connection between STC and layoffs either worked under the assumption that STC reduces layoffs on an hour-for-hour basis or was based on hypothetical questions to employers about how many layoffs they would have made in the absence of the program. The first of these approaches is unreliable because some employers may be less reluctant to place workers on reduced hours than to lay them off.[2] The second is also problematic, since hypothetical questions are notoriously inaccurate predictors of behavior, especially when, as has often been the case with evaluations of the STC concept, the questions are asked in connection with the application of employers to the program. The approach in this study was designed to overcome these difficulties by comparing the actual behavior of STC-participating and non-STC-participating employers.

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[1] Other, more complex strategies may also be used--for instance, reducing the reliance on contract workers and seeking wage or benefit concessions from employees.

[2] In the employer survey, for example, more than 20 percent of the employers which participated in STC reported that they would not have laid off employees in the absence of the program.

Although this comparison also involved potential methodological problems due to the inability of the study to implement a pure experimental design, it did provide a body of comparative data that, when used carefully, should shed a great deal of light on the issues.

The results of the comparative analysis of compensated unemployment suggested several important conclusions and posed a number of unanswered questions. Table 2 illustrates these results for the three states included in the study. Data reported in the table reflect total hours of STC or regular UI collection (expressed as a percentage of total hours worked in the FY1982 base period) during the FY1983 study year. All of these data were adjusted through regression analysis to control for measurable differences in terms of the characteristics and circumstances of firms. Overall, the data show that both STC and comparison employers made a substantial number of layoffs (as measured by regular UI claims) during FY1983. Hence, STC did not completely replace layoffs as a work-force-adjustment method for employers which used the program. The extent to which STC use seemed to be associated with lower regular UI claims varied considerably among the states. In Oregon, regular UI claims were significantly lower among STC employers than among employers in the comparison group. In Arizona, UI claims were also considerably lower for STC employers, but the difference was not statistically significant, perhaps because of the small sample size involved. The results for California showed virtually no difference in regular UI collections between STC and comparison employers.

Differences among the three states were also evident in measures of total hours spent receiving all forms of unemployment compensation (STC and regular UI) during FY1983. In Oregon, STC and comparison employers exhibited only a small difference in terms of the total compensated unemployment figure: hours spent on STC were almost precisely balanced by fewer hours spent on regular UI for the STC employers, and almost no change occurred in total hours of compensated unemployment associated with STC use. Conversely, in California, total hours of compensated unemployment were significantly higher among STC employers, since offsetting reductions in regular UI collections appeared to be small. Consequently, STC use in

TABLE 2

ESTIMATES OF BASE PERIOD HOURS SPENT
ON REGULAR UI OR STC IN FY1983
(In Percent)

	State		
	Arizona	Oregon	California
STC Employers			
Percent of Hours on Regular UI	8.75	11.32	8.58
Percent of Hours on STC	2.57	2.89	2.57
Percent of Hours on UI Plus STC	11.32	14.21	11.15
Comparison Employers			
Percent of Hours on Regular UI	10.09	14.05	8.61
STC-Comparison Difference			
Percent of Hours on Regular UI[a]	-1.34	-2.73**	-0.03
Percent of Hours on STC	2.57**	2.89**	2.57**
Percent of Hours on UI Plus STC	1.23*	0.16	2.54**
Percent Change in STC Employers' Average Compensated Hours (UI Plus STC) from Comparison Employers'	12	1	29

NOTE: Estimates have been regression-adjusted to hold constant a variety of factors that affected the experiences of employers. The estimates in this table were derived from tables contained in the technical report. The sample sizes are 309 employers for Arizona, 336 for Oregon, and 343 for California.

[a] The standard errors associated with these adjusted differences in the percent of hours spent on UI were 1.49, 1.22, and 1.20 percentage points for, respectively, the Arizona, Oregon, and California estimates.

*Significantly different from zero at the .10 level in a one-tail test.
**Significantly different from zero at the .05 level in a one-tail test.

California appeared to be associated with a 29 percent average increase in total hours of compensated unemployment over the average unemployment level in comparison firms. Arizona again represented a middle ground, in that STC employers appeared to experience somewhat greater compensated unemployment than did employers in the comparison group. The implication is that STC use in Arizona appeared to be associated with a 12 percent average increase in total hours of compensated unemployment over the average unemployment level in comparison firms, although the difference in hours was not statistically significant.

Unfortunately, the small number of states that could be included in the STC evaluation precluded any precise quantitative analysis of the reasons for these large cross-state differences. They may have arisen from differences in how STC was administered, from differences in the general economic environment, or from issues pertaining to the nature and quality of the records data from the states. The results for Oregon, which represent one extreme, may reflect the observation that Oregon appeared to adopt the most stringent regulations on program use (as described in the section on "Effects of Various STC Administrative Practices"), or they may reflect the relatively more severe economic conditions exhibited by Oregon. The results for California, which represent the other extreme, are more difficult to explain. Some data problems were encountered with California, although it does not appear that those problems were any more severe than those encountered with the other states. A more plausible explanation arises from the fact that the STC employers included in the analysis represented about 10 percent of all new STC users in California during FY1983, while the STC employers from other states included all of the much smaller populations of users in those states. Thus, normal sampling variability may have generated the result that nearly all STC hours in California represented a net increase in compensated unemployment. Indeed, the standard error associated with the California estimates suggests that some modest reduction in UI use would be consistent with the statistical results obtained, implying that the variation among the states may have been somewhat less than was observed with the available data. Other explanations for the California results include possible

TABLE 3

ALTERNATIVE ESTIMATES OF BASE PERIOD
HOURS SPENT ON REGULAR UI OR STC
(In Percent)

	Alternative 1[a]	Three-State Aggregate of Main Results[b]	Alternative 2[c]	Alternative 3[d]
STC Employers				
Percent of Hours on Regular UI	9.60	9.60	9.60	12.31
Percent of Hours on STC	2.66	2.65	2.72	2.65
Percent of Hours on UI plus STC	12.26	12.25	12.32	14.96
Comparison Employers				
Percent of Hours on Regular UI	10.58	11.05	11.52	14.30
STC-Comparison Difference				
Percent of Hours on Regular UI	-0.98	-1.45**	-1.92**	-1.99**
Percent of Hours on STC	2.66**	2.65**	2.72**	2.65**
Percent of Hours on UI plus STC	1.68**	1.20*	0.80*	0.66
Percent Change in STC Employers' Average Compensated Hours (UI plus STC) from Comparison Employers' Average Compensated Hours	16	11	7	5

NOTE: Estimates have been regression-adjusted to hold constant a variety of factors that affected the experiences of employers. The estimates in this table were derived from tables contained in the technical report.

[a] Alternative 1 differs from the "Three-State Aggregate" because it omits from the comparison group 94 firms which reported that, to any degree, they considered using STC.

[b] These results were derived from an analysis of the entire sample of 988 firms from all three states. The results disaggregated by state are presented in Table 2.

[c] Alternative 2 differs from the "Three-State Aggregate" because it omits from the analysis all firms (a total of 90) that did not use either UI or STC during FY 1983.

[d] Alternative 3 differs from the "Three-State Aggregate" because it ascribes differences in regular UI use (i.e., layoffs) in the subsequent time period to program use in the study period. In addition, if STC use in the subsequent time period is ascribed to program use in the study period, the "percent change in STC employers' average compensated hours (UI plus STC) from comparison employers' average compensated hours" (i.e., the figure in the last row in the table) would be 7 percent.

*Significantly different from zero at the .10 level in a one-tail test.
**Significantly different from zero at the .05 level in a one-tail test.

the context in which firms considered using STC, the deletion of these firms represents the maximum adjustment, but possibly not the most appropriate adjustment, for this issue. Although their exclusion did reduce somewhat the difference in regular UI use between STC and comparison employers, the estimates continued to be relatively close to those reported in column 2.

A second alternative to the basic results consisted of omitting from the analysis the 90 firms that did not make any labor-market adjustments (as measured by the use of UI or STC) during the study period. The results for this alternative are reported in column 3 of Table 3. The general rationale for this alternative was to attempt to control for the possibility that some firms in the comparison sample may not have found it necessary to adjust their workforce and thus should not be compared with STC participants who, by their behavior, demonstrated that they did have to make such adjustments. The results in Table 3 do indeed show that such a change in the sample increases UI use in the comparison sample and reduces the difference in total compensated unemployment between STC participants and nonparticipants (although the difference remains statistically significant at the .10 level). However, the alternative probably over-corrects for possible differences in the economic circumstances of firms, since the survey results showed that some STC users would not in fact have made any layoffs (and probably had no regular UI claims) in the absence of the program.

Finally, the figures in column 4 of Table 3 add regular UI use in the first two quarters of FY1984 to its use in FY1983. This calculation was made to allow for the possibility that STC use in one period may have affected layoff decisions (and regular UI claims) in the subsequent period. The affect could be either positive or negative, depending upon whether STC use either averted some layoffs in the time period beyond its actual operational period or simply delayed some layoffs. In fact, the estimated difference in regular UI use between STC and comparison employers shown in column 4 is somewhat larger than is reported in column 2, suggesting that STC use averted some layoffs not only during its operational period but also in the subsequent period.

Given the variation in the estimates reported in Tables 2 and 3, it would be misleading to highlight one of these figures as reflecting the results of the evaluation. Hence, analyses based on STC use must generalize from this range of compensated unemployment figures to a range of "best" estimates. A range of such estimates is used in the remainder of this report, although the qualitative results of the analyses were not much affected by which particular estimates were used.

Despite the uncertainty involved in specifying a single "bottom line" for this aspect of the evaluation, one general result was apparent: the customary example of STC's substituting for regular UI use on an hour-for-hour basis did not seem to be supported by the data. Instead, the greater flexibility provided by STC to employers did seem to encourage a wider range of work-force adjustment strategies. Some of these strategies may have led to additional payments of unemployment compensation benefits through the STC and regular UI programs.[1] However, the evaluation did not produce a single quantitative estimate of the size of this potential increase.

In addition to examining compensated unemployment in FY1983, the study also examined the frequently expressed concern that employers may use STC as a temporary palliative enroute to a permanent work-force reduction. If this were true, STC would only delay inevitable layoffs, thereby inhibiting necessary labor-market adjustments. However, there was little evidence that this scenario occurred. Consonant with the economic recovery that began in late 1983, the study found that layoffs and UI collections dropped sharply during the postprogram period, and that, if anything, the decline was greater among STC employers. Hence, it appeared

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[1] The study did not measure changes in uncompensated hours of unemployment in a manner whereby they could be compared directly with these data. Such changes could derive from several factors: the imposition of shorter work weeks by employers which do not participate in STC; the ineligibility of workers for UI benefits who are laid off or are participating in STC plans; or the eligibility of workers for benefits who do not apply for them. These factors may have led to either smaller or larger unemployment differences than the measured differences in compensated unemployment.

that the STC program was indeed being used for its intended purpose--to provide employers with another vehicle for dealing with temporary (rather than permanent) declines in labor demands. Similarly, the absence of layoffs, coupled with the relatively small amounts of STC benefits collected by individual employees (an average of about 15 percent of their total UI entitlements), made it unlikely that STC participation in FY1983 seriously impaired the ability of employees to collect UI benefits in the future.

Before leaving this discussion of overall layoffs and compensated unemployment, some additional limitations of these data should be noted. Most important, the data provide little information on how unemployment was "shared" among the employees of firms which participated in STC. Whether the same group of workers collected both UI and STC benefits during the year (thereby incurring the bulk of the unemployment) is unknown. Similar problems arise in judging how individuals used their time in unemployment. Whether they spent the time in socially productive ways (for example, in job search, education, or nonmarket work) or in largely unproductive leisure cannot be judged from the study data. Hence, the extent to which the levels of compensated unemployment reported in Tables 2 and 3 represent true social costs is unknown.

STC and Jobs for Minorities, Women, and Younger Workers

To the extent that STC participation deters layoffs, it temporarily preserves the jobs of those who would have been laid off. And since layoffs are usually based on the level of seniority and job tenure, it is reasonable to believe that STC could save the jobs of newly hired workers--that is, those who may be represented disproportionately by minorities, women, and younger individuals. If this were the case, STC would have important "affirmative action" advantages in terms of enabling less senior employees in these categories to continue to accumulate work experience during recessions.

Although the data did not include direct evidence on the job tenure of individual employees, the possible effects of STC on affirmative-action outcomes can be examined indirectly on the basis of information on the

race, sex, and age of claimants for regular UI or STC. Table 4 summarizes these data for FY1983. If minority, female, and younger workers are laid off disproportionately, this fact should show up in the data on new regular UI claims[1] --that is, the proportion of employees in these demographic categories who submit new UI claims from comparison firms should exceed their associated proportion in the overall employment of comparison firms. If STC deters the layoffs of minorities, women, and younger individuals, this pattern should be less apparent for the submission of new UI claims by such employees of STC participating employers. However, the data on UI claims in Table 4 do not show this demographic pattern, nor do data when disaggregated by state. The composition of new UI claims for both STC and comparison employers is quite similar to the composition of their total employment. This similarity also holds when a regression analysis was used to hold constant a number of characteristics of firms. Thus, from these data, one might conclude that the expected affirmative-action gains from STC did not occur.[2]

A hint that this conclusion may be a bit premature is provided by the data on new STC claims, which show that the percentage of women and minorities who made these claims somewhat exceeded their representation in the total workforces of STC employers.[3] If those employees who filed STC claims would have been laid off otherwise, STC would have had some of the hypothesized affirmative-action gains, but the extent of these gains would

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[1] This fact assumes that no differences in UI eligibility exist among the groups--a subject briefly discussed in footnote 2, page 20.

[2] An investigation of layoffs that occurred prior to STC use (i.e., those that occurred in FY1982) indicated that women, minorities, and younger workers also did not appear to be affected disproportionately by layoffs in that earlier period. Therefore, there is no evidence to suggest that STC employers made selective layoffs prior to their using STC which had either adverse or positive implications in terms of affirmative-action outcomes. Regression analyses of both the FY1982 and FY1983 outcomes supported these general conclusions. The regression analyses also provided no major findings in terms of which types of employers (if any) did experience significant affirmative-action gains from using STC.

[3] However, the difference is not statistically significant at the .05 level.

TABLE 4

COMPOSITION OF UI AND STC CLAIMS IN FY1983
(In Percent)

Characteristic	New Regular UI Claims		New STC Claims	Total Employment	
	STC Employers	Comparison Employers		STC Employers	Comparison Employers
Female	31.3	31.7	37.0	33.1	32.9
Nonwhite	24.5	20.9	24.6	21.9	22.1
Less than 25 Years Old	19.5	20.4	13.8	19.6	21.9

still have been relatively small.[1] Hence, in the absence of more definitive data from individuals on the relationships among race, sex, job tenure, and layoffs, the study did not provide strong support for the hypothesis that STC has major affirmative-action advantages.

STC and Employers' UI Tax Rates

Unemployment Insurance benefits are financed by a payroll tax levied against employers, with the tax rates determined in part from the previous experience of employers with UI claims, including those made under STC. For employers which face marginal tax rates that are below the state maximum rates, STC claims affect their tax rates in the same way as do regular UI claims. In addition, the three study states established special surtax provisions which effectively raised the maximum tax rates (i.e., extended the rate schedule) for employers whose employees filed STC claims.[2] The result of these surtaxes is to increase the effective degree of the "experience-rating" of STC claims relative to the experience-rating of regular UI benefits.

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[1] If these employees would have been laid off otherwise, it would still be necessary to explain why such layoffs did not show up in the UI claims data for the employees of comparison employers. Perhaps some minority and female workers had been newly hired and were thus ineligible for UI. For younger workers, this scenario seems quite likely, especially given the reluctance of employers to place such workers on STC, coupled with their failure to appear disproportionately in the UI claims data. Nonetheless, given the data that were available, it was not possible to examine these issues of UI eligibility.

[2] As originally adopted in the three study states, one-year surtax schedules were defined for employers which used STC and which had either negative reserve balances or, in Oregon, high benefit ratios. These surtaxes were applied to an employer's entire taxable payroll, regardless of the extent to which STC was used. Because this surtax scheme created large financial burdens on employers which used STC only to a limited extent relative to the size of their workforces, California has changed to a one-time surcharge of the amount of the STC benefits. States that have implemented STC programs more recently have adopted other approaches in response to STC claims. For example, Washington and Maryland treat STC claims in the same manner as they do regular UI claims, and have no surtax or surcharge schemes; Illinois requires that employers reimburse the UI system in advance for STC benefit payments.

The effect of such tax provisions on the UI tax rates of employers was examined by comparing the pre-program-use tax rates (Calendar Year 1982) with the post-program-use tax rates (Calendar Year 1984) of both STC participants and comparison group employers.[1] Table 5 presents the results of that examination. The figures show clearly that the majority of employers did experience increased UI tax rates between CY1982 and CY1984. Most of these increases were probably caused by the benefit charges that were incurred during the 1982-1983 recession. In all states, STC employers were more likely than the comparison group employers to experience such increases. Two factors may have accounted for these increases: (1) the larger total (STC plus regular UI) benefit charges incurred by STC participants; and (2) the possible effects of the STC surtaxes. Unfortunately, limitations with the data on tax rates, as well as the complex, dynamic nature of the STC surtaxes, precluded a precise analysis of the relative contribution of these two effects.

A more general question about the relationship between STC participation and UI tax rates concerns the possibility that the program may affect the tax rates of nonparticipating employers in the state, because the program might not be fully self-financing. It was this concern that prompted states to implement STC surtaxes initially, and it still significantly influences debate about how STC costs should be shared. The extremely limited use of STC programs in the states thus far has of course had no discernable effect on the general tax schedules. The more important issue is whether an increased use in state STC programs would generate such an effect. Ultimately, this issue is subsumed within the more general question about whether STC poses a threat to the UI trust fund, which is the subject of the following section.

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[1] At the time the data were collected, complete data on CY1984 tax rates were not available for some states. Therefore, some of the tax rates were imputed from data that were available.

TABLE 5

CHANGE IN THE UI TAX RATE CLASSES OF STC AND COMPARISON EMPLOYERS BETWEEN CY1982 AND CY1984
(In Percent)

	Arizona		Oregon		California	
	STC	Comparison	STC	Comparison	STC	Comparison
Employers Which Between CY1982 and CY1984 Moved into a Higher Rate Class	76.3	62.9	78.2	55.4	50.3	47.1
Employers Which between CY1982 and CY1984 Moved to Rate Class 5 from:						
Rate class 1	0.0	0.0	15.8	9.1	0.0	0.0
Rate class 2	5.8	2.6	25.0	2.9	2.9	1.0
Rate class 3	16.3	21.7	58.5	9.2	20.9	18.2
Rate class 4	28.6	20.0	69.2	61.5	60.0	66.7

NOTES: Rate classes were defined for each state as follows. Rate class 1 is the minimum schedule tax rate. Rate class 5 is the maximum regular UI tax rate, plus STC surtax rates. Rate class 4 encompasses those rates less than the maximum that are nonetheless within approximately 1 percentage point of the maximum. Rate classes 2 and 3 are defined so that each group is of approximately equal size in terms of the number of employers.

STC and the UI Trust Fund

Whether adopting an STC program imposes a net drain on the UI trust fund depends on the net balance between the benefits paid under the program and the additional taxes paid by employers on the basis of those benefit charges. The previous section described how the presence of special STC surtax provisions imply that the benefits which are paid under the program are more effectively experience-rated under UI tax laws than are regular UI benefits, and the empirical evidence presented in that section supports the presumption that STC users will generally pay higher UI tax rates subsequently. However, if the benefits paid under the program are also higher, these higher tax rates may not be sufficient to protect the UI trust fund fully.

Two arguments suggest that the benefits that are paid by an employer which adopts an STC work-force adjustment strategy may be higher than the benefits that are paid by an otherwise similar employer which adopts a layoff strategy. First, and probably most important, because hours reductions under STC may include a greater representation of higher-wage employees than do layoffs, average weekly UI benefits will be greater for the former group. Hence, the benefits paid per hour of compensated unemployment will generally be greater under reduced hours. Second, if STC participants experience more total hours of compensated unemployment than do otherwise similar nonparticipating employers (as suggested by the results cited in the section on "STC Participation and Layoff Patterns"), benefit charges also will be higher for the former group of employers. The results of the study tended to confirm these a priori arguments. For example, a regression analysis was used to predict what the UI benefit charges for STC employers would have been in the absence of STC, and to compare them with the actual charges incurred by STC employers while participating in the program. Such charges were found to be significantly higher for employers which used STC than for otherwise similar employers which did not use STC.

Although it was beyond the scope of the present study to develop detailed quantitative estimates of the relationships between increased UI taxes and increased benefit charges under the STC program, it was possible

to develop a qualitative picture of the likely net impacts of these influences on the UI trust fund. For the short run (say, for the program year and the year following), it seems likely that STC would pose a net drain on UI trust-fund resources. Because of the necessary lags in accounting, increased benefit charges do not normally affect UI tax rates until 6 to 18 months after they are imposed. And, once these increased charges are accounted for, the tax-rate formulas allow states only to partially recover the charges incurred in the first year or two.[1] Of course, similar arguments apply to increased benefit charges for regular UI that typically occur with the onset of a recession. Indeed, a primary reason for the existence of UI trust funds is to provide some insulation from such a temporary mismatch between benefit payments and tax receipts. However, because per-employee benefit charges are higher under STC, these short-term problems may be somewhat exacerbated.

Over the longer term, these negative impacts should become considerably less severe. Existing UI experience-rating formulas appear likely to ensure that most additional benefit charges are ultimately collected (although without interest payments), and special STC surtaxes will act to increase the effective degree of experience-rating for program participants. Consequently, STC probably poses little or no long-term threat to the UI trust fund, and it is probably unnecessary to consider imposing additional taxes on all employers to finance the program. But the short-term problems associated with financing the STC program must be considered carefully should its use become considerably more widespread.

Effects of STC on Retirement and Health Benefits

The treatment of fringe benefits under STC is a sensitive issue for both employees and employers. For employees, any reduction in health insurance coverage during the period of reduced hours could of course pose substantial hardships. Similarly, reductions in the accrual of retirement benefits could impose financial constraints for employees in the future.

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[1] The study estimated that approximately 20 to 30 percent of the additional charges are recoverable in the following tax year.

Conversely, for employers, maintaining full fringe benefits for workers on reduced hours increases hourly labor costs, which may become substantial. For example, if fringe benefits represented 20 percent of total compensation and were fully maintained during a one-day-per-week work-time reduction, hourly labor costs would rise by 5 percent. Hence, employers have a clear incentive to seek to constrain fringe benefits for employees on reduced hours, whereas workers seek to ensure that at least some benefits are fully maintained.

None of the three primary states that were included in the STC analysis has adopted any explicit requirement on how to treat fringe benefits during reduced hours. However, all do require that employers state clearly in their STC plan applications what effect, if any, STC participation will have on fringe benefits. One of the major objectives of such requirements appears to be the "full disclosure" of employee-relevant information, thus allowing an employee or union representative to examine the plan for any adverse consequences of STC participation on fringe benefits.

In its actual implementation, STC appears to have had very little effect on the levels of fringe benefits provided. According to information from the employer survey, the vast majority of participating employers opted to retain full fringe benefits during the period of work reduction. Specifically, health benefits were maintained in full by 99 percent of the employers which offered such benefits, and retirement benefits were maintained in full by 93 percent of those which offered such benefits. Furthermore, when benefits were reduced, they were almost always reduced only in proportion to the percentage of work reduction. The same patterns hold for other types of benefits (i.e., severance, sick leave, and vacation). Hence, the results of the study suggest that provisions in state laws on the maintenance of fringe benefits may not be necessary. It is possible, however, that this finding was the result of the relatively recent introduction and the small current scales of the STC programs, and that these fringe-benefit issues could be more salient in other circumstances.

Effects of Various STC Administrative Practices

An administrative analysis was conducted in seven states that had implemented STC plans, although only Arizona, Oregon, and California had acquired sufficient program experience to provide substantive information for the analysis. All of these states have adopted administrative procedures whose objective is to limit the use of STC only for its intended purpose--to avoid laying off workers during temporary business downturns. The key provisions include limits on both the duration of the plan and the participation of individuals in it, requirements that employers certify the purpose of the plan as part of their plan submission, requirements on the minimum number of participating employees and the minimum percentage of reduced hours, requirements on employee tenure, and provisions for special UI reimbursements. Unfortunately, the variation among states in terms of these administrative provisions is generally not great, particularly among the three states for which extensive data are available on patterns of STC use. Consequently, little can be learned about the effects of various administrative practices. A review of these key provisions will illustrate this conclusion.

Several provisions seem to be designed to ensure that STC is used only for relatively short periods. First, all states but one limit the duration of a plan to either 26 or 52 weeks. Second, all states but one limit the participation of individuals--most often to 26 weeks in a benefit year. While this latter provision may protect some portion of the UI entitlement of workers, these two provisions are less effective at confining STC use to short periods than might be apparent, because of the ease with which employers in all states (except Oregon) can operate multiple (concurrent) and successive plans. Even in Oregon, methods for "clocking" STC use have been adopted which can be used to mitigate the apparent strictness of the limits on STC use in that state.

Even if duration limits are applied more stringently, they cannot guarantee that employers will use STC only for its intended purpose. Therefore, most states require employers to certify in their plan applications that they are using STC as an alternative to layoffs. UI officials acknowledge that no realistic, effective method exists for

monitoring the veracity of employer certifications, but view the certification as a good way both to ensure that employers are aware of how the program is supposed to be used and to promote voluntary compliance. Several states have added to the certification specific language (based on the federal model standards) which stipulates that reduced hours be used "in lieu of temporary layoffs which would have affected at least ten percent of the employees in the affected units to which the plan applies and which would have resulted in an equivalent reduction in work hours." However, other program provisions in these states (i.e., requirements on the percentage of reduced hours and employers' discretion on the definition of the affected units) make this minimum threshold meaningless.

Setting minimum levels of employee participation in STC and defining an allowable range of reduced hours are two additional devices to ensure that the program is used as intended. Together, such devices are often viewed as limiting STC use to levels that could meaningfully avoid layoffs. However, most states allow as few as two workers to be placed on reduced hours and allow reductions to apply to only 10 percent of the workers in the affected unit.[1] Furthermore, most states allow reductions in hours of as little as 10 percent (Oregon allows minimum reductions of 20 percent). Therefore, because these rules certainly allow a level of STC use that is smaller than a single layoff, the effectiveness of these devices to ensure that the program is used strictly to avoid layoffs is limited.

An issue on which there has been less consensus pertains to whether new workers can be placed in an STC plan. Some states require work periods of three to six months before a worker can become part of a plan; some states impose earnings requirements; and yet others impose no or only token tenure restrictions. Officials in those states that have adopted more stringent requirements argue that workers should show a significant attachment to an employer before they should be entitled to the special benefits; officials in those states that have not adopted stringent tenure

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[1] "Affected units" are defined by the employers.

requirements argue that achieving affirmative-action goals and generally promoting higher levels of employment are best served by liberal tenure policies.

Special UI reimbursement provisions, which take the form of either one-year surtaxes or surcharges, are an integral part of the STC program in all but two of the states. These special provisions increase the degree of experience-rating for negative reserve balance or high benefit ratio employers--employers which would be ineffectively experience-rated otherwise. As cited by state officials, the primary reason for the imposition of surtaxes and surcharges pertains to program financing. However, the trend is toward relying less on special reimbursement provisions: two of the states that have adopted STC fairly recently (Washington and Maryland) have no such provisions, and both Arizona and California have recently changed their provisions in ways that should tend to reduce special reimbursements.

Despite the inability of the study to identify the precise effect of administrative practices on observed outcomes, one potentially significant regularity should be mentioned. Throughout the review of administrative procedures, it appeared that Oregon had tended to adopt the most stringent regulations on program use. At the same time, the empirical results showed that a much closer correspondence existed between STC use and reduced UI collections in Oregon than in either Arizona or California. Such results tend to suggest that various regulations may be important if STC is to focus specifically on reducing temporary layoffs. While the existing study design did not provide conclusive support for this possibility, the relationship between STC administrative procedures and program use should be investigated further as more states gain experience with STC programs.

Benefits and Costs of STC to Employers

Although the congressional mandate for the present study asked for a "comparison of the benefits and costs to employees, employers, and communities from using short-time compensation and layoffs," it was not possible to address this broad array of issues within the confines of the

present study. One important omission was the absence of data on individual employees, which largely precluded any type of benefit-cost analysis from the perspective of either employees or the community at large. Hence, an analysis of this congressional issue focused primarily on the employer.

For employers, the study identified four potential effects on labor costs that might arise from participating in STC rather than following a layoff strategy:

1. Workers' productivity may be affected.
2. Employers may face higher UI tax bills.
3. Employers may save on the costs associated with laying off employees (e.g., severance pay) and with hiring and training new employees.
4. Employers may incur higher fringe-benefit costs.

Measuring the potential effects of STC participation on productivity was problematic. Although a number of reasons suggest that participation may affect the productivity of both the individual employees (by changing the hours of work) and the work group as a whole (by facilitating a smooth, on-going work process during downturns), the existing state-of-the-art in productivity measurement does not permit such a refined analysis. Hence, the study was forced to omit any quantitative consideration of productivity issues.[1]

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[1] The omission of productivity information made it impossible to judge the assertion that STC "saves" on direct labor costs by permitting partial layoffs for higher-wage employees (these "savings" were assumed to be rather large in other evaluations of STC which also did not measure productivity). Without knowledge of the productivity of workers, it is impossible to determine whether layoffs of high-wage, more-productive employees increase or reduce unit labor costs. The omission of productivity statistics also made it impossible to judge the extent to which the movement of workers into positions for which they may not have been fully trained (i.e., "bumping") substantially reduced productivity during layoffs.

For UI tax bills, the information was not so limited, and, as was shown in the section on "STC and Employers' Tax Rates," the study did find that STC participation tended to raise the UI tax rates of employers. The average increase in tax rates between 1982 and 1984 was almost one-third greater for STC participants than for comparison group employers. This increment to tax bills represented approximately 0.2 to 0.3 percent of total labor costs. However, attempting to calculate this additional cost on a per-layoff (or equivalent) basis entails difficult issues about the impact of UI experience-rating formulas, and requires several ad hoc assumptions about the employment levels of employers under various work-force-reduction scenarios. Because of these uncertainties, such per-layoff calculations were not made.

To measure the effects of STC participation on hiring costs, the study asked employers to estimate what fraction of the employees who would be placed on temporary layoff would not be available for recall when business conditions improved. The study also estimated from published statistics the costs incurred by a firm in adding new employees to replace former workers who are unavailable for recall. Based on these two figures, the study calculated the "expected" new hiring costs involved in a layoff (costs which might be saved under STC). The results of these calculations showed that with the exception of the transportation, communications, and utilities industries (for which representation in the sample was quite small) the figures were quite consistent across industries. Employers generally expected to lose about 20 percent of their temporarily laid-off workers. Multiplying these figures by estimates of industry hiring costs yielded expected replacement costs of approximately $175 to $250 per layoff. These then are the costs that would be saved by firms which, contemplating layoffs, instead opt to use a reduced-hours strategy to adjust their workforces.

To examine the effects of STC participation on fringe-benefit costs, the study obtained information from the employer survey and from the Bureau of Labor Statistics on the dollar value of various fringe benefits, and applied this information to a number of different work-force-reduction scenarios. Under the simplest of these scenarios, it was assumed that the

alternative to a layoff was an equivalent number of hours of STC use.[1] The estimated incremental fringe-benefit costs of STC under this scenario are presented in Table 6. For example, the table shows that employers which opt for STC instead of layoffs would incur additional labor costs of approximately $19 per week in medical and other insurance costs.[2] Other entries in the table can be interpreted in a similar way. The "Total" figure represents the additional weekly cost per equivalent layoff incurred by an employer which offers all of the benefits listed in the table. These total costs are fairly large--approximately $58 per week for each layoff averted by using STC. As long as layoffs last about four weeks or longer, the additional fringe-benefit costs of STC for an employer which offers a complete set of benefits would probably exceed the cost savings associated with lower expected hiring costs.

Overall, the results on the benefits and costs to employers suggest that STC may involve net costs to many employers for those items that could be measured in this study. The combination of higher UI taxes and higher fringe-benefit costs outweighs the savings in the costs of hiring new employees. Of course, for many employers, these cost disadvantages may be more than compensated for by other, positive effects of STC that could not be measured. Adopting a reduced-hours strategy may mitigate work-force disruptions that would have occurred under layoffs, may preclude a diminishment in the skill levels of employees while on temporary layoff, or may lead to better overall labor relations. Since participation in STC is voluntary for employers, it seems likely that these positive factors may have influenced the decisions of many employers. Unfortunately, the absence of detailed productivity data precluded a precise measurement of such effects.

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[1] Other scenarios developed in the report were based on empirical estimates of the extent to which additional STC use resulted from the reduction of one layoff. These results were very similar to those for the one-for-one scenario reported in Table 6.

[2] The magnitudes of incremental fringe-benefit costs assume that workers who are laid off receive no continuing fringe benefits from their former employers.

TABLE 6

DIFFERENCE IN FRINGE-BENEFIT COSTS BETWEEN STC AND LAYOFFS
(In Dollars per Week)

Benefit	Difference in Weekly Benefit Cost from Using STC per Work Reduction Equivalent to One Layoff[a]
Medical and Other Insurance	19.43
Pension/Retirement	19.34
Severance	3.03
Paid Sick Leave	3.63
Paid Vacation	12.71
Total Cost to Employer[b]	58.14

[a] Computations were based on information from the employer survey on how the benefits are treated under reduced hours.

[b] Total cost to the employer is computed on the basis of the assumption that the employer offers all of the fringe benefits.

Administrative Costs of STC

STC offers both advantages and disadvantages over equivalent UI use in terms of administrative costs. Cost savings may be achieved because the initial claims process is simpler under STC and because on-going monitoring costs (e.g., UI worktest enforcement) are lower. Conversely, because STC involves a greater number of claims (both initial and continuing) than would an equivalent number of layoffs, administrative costs may be higher. Unfortunately, the most complete administrative cost data available to the study (which were from Arizona) exhibited two major disadvantages: (1) the UI and STC minutes-per-unit data were based on different time periods; and (2) the STC data reflected relatively early program experiences, and those costs may decline over time. Nevertheless, the Arizona cost data are sufficient to illustrate the general nature of the administrative cost issue, and these data are presented in Table 7. Again, for simplicity, it was assumed that an equivalent amount of time would be spent on either UI or STC,[1] and (consistent with the survey data) that STC would involve a work reduction of 25 percent.

The results of these simulations show clearly that, on a layoff-equivalent basis, STC entailed greater costs in terms of administrative time. The activities associated with the number of additional claims filed under STC dominated whatever savings were achieved in per-claim-processing costs. Overall, the total variable costs per layoff or equivalent were more than twice as high under STC as under regular UI. Again, it should be emphasized that these cost figures come only from one state and reflect early STC experiences. Since all of the states in the study were actively involved in designing ways to reduce the administrative costs of STC, it is quite possible that the cost disadvantages of STC over regular UI will narrow in the future. Possible methods for reducing administrative costs include batch-processing claims and employers' filing individual claims.

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[1] Other simulations that assume greater STC use per equivalent layoff (which was consistent with the empirical estimates in the study) are illustrated in the technical report.

TABLE 7

ESTIMATING THE ADMINISTRATIVE COSTS OF REGULAR UI AND STC FOR ONE LAYOFF OR EQUIVALENT
(In Minutes of Labor Time)

Element	Minutes per Unit[a] Regular UI	Minutes per Unit[a] STC	Units Used per Equivalent Layoff Reduction UI	Units Used per Equivalent Layoff Reduction STC[b]	Administrative Cost per Equivalent Work Reduction UI	Administrative Cost per Equivalent Work Reduction STC
Initial Claims	46.23	29.09	1.00	4.00	46.23	116.38
Weeks Claimed	7.90	5.94	20.00	80.00	158.00	475.20
Nonmonetary Determinations[c]						
Separation	80.15	n.a.	0.19	n.a.	15.23	n.a.
Nonseparation	41.32	17.00	1.61	1.30	66.52	22.10
Total Variable Costs	n.a.	n.a.	n.a.	n.a.	285.98	613.68
Fixed Costs						
Plan inquiries	n.a.	14.60				
Plan approvals	n.a.	201.07				

[a] All cost figures come only from Arizona. Cost is expressed in minutes of administrative time.

[b] Assuming a work-reduction rate of 25 percent.

[c] Based on ratios of product counts for weeks claimed, initial claims, and nonmonetary determinations in cost study month.

n.a. means not applicable.

However, whether the costs per equivalent work reduction can approach those for regular UI remains an open issue.

Other Factors Relevant to STC

Probably the most important questions that were not raised explicitly in the congressional mandate concern STC program participation. Specifically, why have participation rates in STC been so low (less than 1 percent of all employers in the sample states)? And might these rates be expected to increase sharply in future recessions? Although the present study was not explicitly designed to examine these issues completely, it did offer some insights into them. Because even partial answers to the participation issues may be helpful in planning the evolution of STC policy, the study findings that are relevant to them will be briefly summarized.

The lack of program information may be an important reason that current STC participation rates are so low. Among employers in the comparison group (which were chosen to resemble STC participants), approximately half had not heard about the program. For a more broadly representative group of employers, the lack of information may be even more important. Still, since about half of the comparison employers had heard about STC (and, of those, 40 percent had to some extent considered using it), it seems clear that a lack of information cannot fully account for the observed low participation rates.

When asked about the perceived advantages and disadvantages of the STC program, employers in the comparison group provided a wide variety of responses. The perceived advantages of the program were those that have often been mentioned in the STC literature: the retention of valued employees, reductions in the potential costs of hiring new employees, and additional work-force flexibility. Conversely, the possible disadvantages that were reported tended to focus on such problems as inefficiencies in production that would be introduced by reduced hours and "inflexibilities" in program rules. When asked explicitly about the disadvantages normally associated with STC participation (e.g., higher UI taxes and increases in fringe-benefit costs), comparison employers tended to provide responses

which indicated that they possibly misunderstood the program. For example, more than 25 percent thought that STC participation would lower their UI tax rates, and almost the same percentage thought that it would lower fringe-benefit costs. Either the program is too new to have enabled these employers to undertake a thorough assessment of its effects or employers may have had in mind more complex work-force adjustment activities than were reflected in the survey interview. Thus, whether their disinclination to opt for STC was based on a careful, considered analysis or on an unwillingness to try something new is difficult to determine from the available information.

Employers who used STC generally considered it to be a beneficial program, and reported they would choose to participate in the future if the need arose. Therefore, it seems likely that STC participation will increase in future economic downturns as an awareness about the program grows and additional employers have an opportunity to assess the advantages to them from using it. However, the present study suggests that this growth may be relatively modest, because many employers already appear to know something about STC, yet, even among STC users, they continue to opt for layoffs as the dominant form of work-force adjustments. However, it must be remembered that this assessment is based on partial and indirect data. The large-scale dissemination of information on STC, coupled with rising employee interest in the program, could lead to much higher-than-anticipated growth rates in program participation.

IV. FUTURE RESEARCH ON STC

Short-time compensation programs have been adopted by many states and are being considered by others. The growing body of program information that is potentially available from its increased use raises a number of possibilities for future research on the impact of such programs. Such research might be expected not only to provide a more detailed examination of the various issues raised in this report, but also to explore the many important issues that could not be addressed herein. Three research areas seem to warrant high priority. The first pertains to the STC participation rates of employers. As discussed in the previous

section, the reasons for the currently low levels of STC use are not well understood. Whether they derive from an inadequate base of information about the program or from characteristics of STC that make it unattractive to potential users is difficult to determine with the available data. Yet STC participation rates may have important implications in terms of their costs to the UI system, especially if these rates were to rise significantly in future economic downturns (perhaps approaching the levels of use experienced in Western Europe). Hence, an examination of the determinants of STC participation should be of substantial interest to policymakers.

The second research area pertains to the many issues surrounding the well-being of employees and their economic activities under layoffs or reduced hours. Some understanding of these issues is crucial to any overall assessment of STC, especially given the broader social questions concerning the equity with which the burden of unemployment is shared. In light of the fact that the scope of the current study precluded collecting data directly from employees to address these issues, the design of an employee data collection effort is a logical extension of this study. Moreover, it would be a relatively straightforward undertaking.

A final suggested research area pertains to the effects of STC on productivity. The importance of this issue is made more salient by the findings of this report that, in some cases, STC involves additional costs to both employers and the UI system. If these costs are more than balanced by the beneficial effects of the program on productivity, they might be of little consequence. However, if the beneficial effects on productivity are negligible, some caution must be raised about the widespread adoption of STC. Simply pointing out the importance of the productivity issue falls far short of resolving the severe problems that exist in attempting to answer it. Productivity measurement on the level of the individual employer poses many difficult issues under the best of circumstances. Measuring the effects of STC poses additional problems in terms of developing appropriate comparative methodologies and dealing with economic downturns--a particularly nettlesome period for obtaining meaningful productivity measures. Hence, as a first step, it would appear that an

examination of the important productivity issue should be largely conceptual in nature. Only after the necessary groundwork is laid would it seem possible to make progress on the difficult problem of empirical measurement.

COMPARISON OF SHORT-TIME COMPENSATION WORKSHARING PLANS

State (1)	Duration of Plan Before New Approval Is Required (2)	Limits on Number of Weeks (3)	Required Reduction of Work (4)	Computation of WBA (5)	Financing by Participating Employers (6)
Arizona	One year	26	At least 10% but not more than 40%	Amt. proportionate to the ratio of normal hours not compensated to normal hours	1% added if negative reserve ratio is at least 5% but less than 15%; 2% added if negative reserve ratio is 15% or more
Arkansas	12 months	26	At least 10% but not more than 40%	WBA multiplied by % of reduction (at least 10%) of individual's usual hours	No special financing
California	6 months	1	At least 10%	Percentage of reduction in individual's hours and wages, rounded to nearest 5%, multiplied by individual's WBA	Certain negative balance employers assessed additional contributions equal to amount of shared work benefits paid over a recent 12-month period
Florida	12 months	26	At least 10% but not more than 40%	Product of WBA and ratio of the number of normal weekly hours not compensated to normal hours	Participating employer's maximum rate shall be 1% above current max. applicable to other employers
Illinois	No specified limit (ultimate end 1/1/88)	20	At least 10%	Percentage of reduction of wages rounded to nearest 10% multiplied by 50% of lessor of individual's full-time wage or SAWW	Employers finance benefits on a reimbursable basis; administrative costs financed by State appropriations
Louisiana	12 months	26	At least 20% but not more than 40%	WBA multiplied by % of reduction (at least 10%) of individual's usual hours	No special financing

State (1)	Duration of Plan Before New Approval Is Required (2)	Limits on Number of Weeks (3)	Required Reduction of Work (4)	Computation of WBA (5)	Financing by Participating Employers (6)
Maryland	6 months	26	Not less than 10%; not more than 50% (50% max. may be waived by Secretary)	WBA multiplied by the % of reduction in workers' normal weekly hours + d.a.	No special financing
New York	(Ultimate end 12/31/88)	20	At least 20% but not more than 60%	WBA multiplied by % of reduction (at least 20%) of individual's usual wages	No special financing
Oregon	52 weeks	26	Hours reduced at least 20% but not more than 40%	WBA multiplied by nearest full % of reduction of the individual's regular weekly hours of work	No rate less than his benefit ratio but not more than 3 percentage points higher than next year's maximum rate
Texas	12 months	26	At least 10% but not more than 40%	WBA multiplied by % of reduction of individual's wages	Participating employer's general tax rate can be as high as 9%
Vermont	6 months or date of plan, if earlier (Ultimate end 6/30/88)	26	At least 20% but not more than 50%	WBA multiplied by % of reduction of individual's usual weekly hours of work	No special financing
Washington	12 months or date in plan, if earlier	26	Not less than 10% nor more than 50%	WBA multiplied by % of reduction of individual's usual hours	No special financing

[1]No limit on number of weeks, but total paid cannot exceed 26 x WBA

SOURCE: NATIONAL FOUNDATION FOR UNEMPLOYMENT COMPENSATION AND WORKERS' COMPENSATION

ARTICLE 5.1. SHARED WORK UNEMPLOYMENT COMPENSATION

DEFINITIONS

Sec. 23-761.

In this article, unless the context otherwise requires:

1. "Affected group" means two or more employees designated by the employer to participate in a shared work plan.

2. "Approved shared work plan" or "approved plan" means an employer's shared work plan which meets the requirements of section 23-762 and which the department approves in writing.

3. "Normal weekly hours of work" means the number of hours in a week that the employee normally would work for the shared work employer or forty hours, whichever is less.

4. "Shared work benefits" means benefits, including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 United States Code, chapter 85, payable to an individual under this article for weeks of reduced work under an approved shared work plan.

5. "Shared work employer" means an employer with a shared work plan in effect. An individual who or an employing unit which succeeds to or acquires, pursuant to section 23-733, an organization, trade or business with a shared work plan in effect automatically becomes a shared work employer and adopts such plan, if such individual or employing unit certifies to shared work benefits under the previously approved plan.

6. "Shared work plan" or "plan" means an employer's voluntary written plan for reducing unemployment under which a specified group of employees shares the work remaining after their normal weekly hours of work are reduced.

As added by Ch. 84, L. 1981: as amended by Ch. 155, L. 1984.

Ch. 155, L. 1984, effective 90 days after adjournment of the legislature, added the last sentence of paragraph 5.

REQUIREMENTS OF SHARED WORK PLAN; APPROVAL

Sec. 23-762.

A. An employer wishing to participate in the shared work

unemployment compensation program shall submit a signed, written shared work plan to the department for approval. The department shall approve a shared work plan only if the plan:

1. Specifies the employees in the affected group.

2. Applies to only one affected group.

3. Includes a certified statement by the employer that, for the six month period immediately preceding the date the plan is submitted, compensation was payable from the shared work employer, or its predecessor whether or not they were shared work employers, to each employee in the affected group in an amount equal to or greater than the wages for insured work in one calendar quarter as provided in section 23-771, subsection A, paragraph 6. An employee who joins an affected group after the approval of the shared work plan is automatically covered under the previously approved plan, effective the week that the department receives written notice from the shared work employer that the employee has joined and certification from the employer that the employee meets the provisions of section 23-771, subsection A, paragraph 6.

4. Includes a certified statement by the employer that for the duration of the plan the reduction in the total normal weekly hours of work of the employees in the affected group is instead of layoffs which otherwise would result in at least as large a reduction in the total normal weekly hours of work.

5. Specifies the manner in which the employer will treat fringe benefits of the employees in the affected group if the employees' hours are reduced to less than their normal weekly hours of work.

6. Specifies an expiration date which is no more than one year from the date the employer submits the plan for approval, except that on written request by the employer, the department may approve an extension of the plan for a period of not more than one year from the date of the request.

7. Is approved in writing by the collective bargaining agent for each collective bargaining agreement which covers any employee in the affected group.

B. The department shall approve or disapprove the proposal within fifteen days of receipt of the proposal by the department. The department shall notify the employer of the reasons for denial of a shared work plan within ten days of such determination.

As added by Ch. 84, L. 1981; as amended by Ch. 203, L. 1983; Ch. 155. L. 1984.

Ch. 155, L. 1984, effective 90 days after adjournment of the legislature, made the following changes in Sec. 23-762.

Substituted paragraph A.3 for the following:

"3. Includes a certified statement by the employer that, for the six month period immediately preceding the date the plan is submitted, compensation was payable from the shared work employer to each employee in the affected group in an amount equal to or greater than the wages for insured work in one-calendar quarter as provided in section 23-771, subsection A, paragraph 6."

Added that part of paragraph A. 6. that begins "except than on written."

Ch. 203, L. 1983, effective April 20, 1983, added "subsection A. to paragraph A.3.

SHARED WORK BENEFITS; ELIGIBILITY; REQUIREMENTS

Sec. 23-763.

A. An individual is eligible to receive shared work benefits with respect to any week only if, in addition to meeting the requirements of article 6 of this chapter as modified by subsections D and E of this section, the departments finds that:

1. During the week the individual is employed as a member of an affected group in an approved plan which was approved prior to the week and is in effect for the week.

2. During the week the individual's normal weekly hours of work were reduced at least ten per cent but not more than forty per cent.

B. The department shall not pay an individual shared work benefits for more than twenty-six weeks in a benefit year, except that this limitation does not apply to a week if for the period consisting of the week and the immediately preceding twelve weeks the rate, not seasonally adjusted, of insured unemployment in this state is equal to or greater than four per cent.

C. The total amount of regular benefits and shared work benefits which the department pays to an individual for weeks in his benefit year shall not exceed the total for the benefit year as provided in section 23-780.

D. The department shall not deny an otherwise eligible individual benefits under this article because of the application of any provision of this chapter relating to availability for work, active search for work or refusal to apply for or accept work from other than the individual's shared work employer.

E. Notwithstanding section 23-621 or any other provision of this chapter, for purposes of this article an individual is unemployed in any week for which compensation is payable to him, as an employee in an affected group, for less than his normal weekly hours or work in accordance with an approved plan in effect for the week.

As added by Ch. 84, L. 1981, effective December 31, 1981; as amended by Ch. 16, L. 1983.

Prior to amendment by Ch. 16, L. 1983, effective March 18, 1983, subsection B read as follows:

"B. The department shall not pay an individual shared work benefits for more than twenty-six weeks in a benefit year."

AMOUNT OF BENEFITS

Sec. 23-764.

The department shall pay an individual eligible for shared work benefits with respect to any week a shared work benefit that is a proportionate amount as provided in this section of the employee's weekly benefit amount as provided in section 23-780. The department shall pay a shared work weekly benefit that is an amount directly proportionate to the ratio of the number of normal weekly hours of work for which the employer would not compensate the employee to the employee's normal weekly hours of work unless the employer compensates the employee on a piecework basis, in which case the department shall pay an amount directly proportionate to the ratio of the normal number of weekly pieces worked for which the employer would not compensate the employee to the employee's normal number of weekly pieces work. If the amount is not an even multiple of one dollar, the department shall round it to the nearest dollar, and the department shall round an even one-half dollar to the next higher multiple of one dollar. Except as provided in section 23-791, the department shall not reduce the amount for compensation payable for the the week. The provisions of section 23-789 which require the department to deduct and withhold certain amounts payable to an individual who is liable for child support obligations apply to this article.

As added by Ch. 84, L. 1981; as amended by Ch. 155, L. 1984.

Prior to amendment by Ch. 155, L. 1984, effective 90 days after adjournment of the legislature, Sec. 23-764 reads as follows:

"Sec. 23-764. The department shall pay an individual eligible for shared work benefits with respect to any week a shared work benefit that is a proportionate amount as provided in this section of the employee's weekly benefit amount as provided in section 23-780. The department shall pay a shared work weekly benefit that is an amount directly proportionate to the ratio of the number of normal weekly hours of work for which the employer would not compensate the employee to the employee's normal weekly hours of work. If the amount is not an even multiple of one dollar, the department shall round it to the nearest dollar, and the department shall round an even one-half dollar to the next higher multiple of one dollar. Except as provided in section 23-791, the department shall not reduce the amount for compensation payable for the week."

EMPLOYER CONTRIBUTION RATES

Sec. 23-765.

A. If at any time before the computation date shared work benefits are paid under the shared work plan of an employer or its predecessor, the employer's contribution rate for the ensuing calendar year as determined according to section 23-730 shall be increased by adding to that rate:

   1. One per cent if the employer's negative reserve ratio is at least five per cent but less than fifteen per cent.

   2. Two per cent if the employer's negative reserve ratio is fifteen per cent or more.

B. Subsection A of this section does not apply to an employer if any of the following applies:

   1. As of the computation date, the employer has a positive reserve ratio or a reserve equal to zero.

   2. The employer's account has not been charged with shared work benefits under the shared work plan or plans of the employer or its predecessor during the twelve month period immediately preceding the computation date, if the employer's reserve ratio as of the computation date is more favorable than it was as of the preceding computation date.

3. The employer's account has not been charged with shared work benefits under the shared work plan or plans of the employer or its predecessor during the twenty-four month period immediately preceding the computation date.

As added by Ch. 84, L. 1981, effective December 31, 1981; as amended by Ch. 16, L. 1983; Ch. 176, L. 1984.

Prior to repeal and reactment by Ch. 176, L. 1984, effective 90 days after adjournment of the legislature, Sec 23-765 read as follows:

Sec. 23-765. Any employer who has had a shared work plan approved at any time prior to the computation date in the current calendar year has a contribution rate for the next calendar year assigned as follows:

1. If employees were paid shared work benefits under an approved plan of the employer for weeks which occurred during the twelve month period immediately preceding the computation date, the department shall add to the employer's rate computed as provided in section 23-730, paragraph 2, for the next calendar year an amount which it determines as follows:

"Reserve Ratio Used to Determine the Contribution Rate for the Next Calendar Year"	"Amount to be Added to the Rate for the Next Calendar Year"
Positive or Zero	0.00%
Between Zero and Minus .05	.25%
Minus .05 or Between .05 and Minus .15	1.00%
Minus .15 or Less	3.00%

2. If employees were not paid shared work benefits under an approved plan of the employer for weeks which occurred during the twelve month period immediately preceding the computation date, the department shall add to the employer's rate computed as provided in section 23-730, paragraph 2, for the next calendar year an amount which it determines in accordance with the table in paragraph 1 of this section unless:

"(a) The employer's reserve ratio used to compute the rate for the next calendar year is positive or greater than all of the reserve ratios used to compute the rates for calendar years in the last continuous period during which additions were made to the employer's rate in accordance with paragraph 1 of this section. In this case no addition will be made to the employer's rate for the next calendar year."

"(b) Subdivision (a) of this paragraph was used to determine the addition for one or more calendar years since the last calendar year for which an addition was made to the employer's rate in accordance with paragraph 1 of this section. In this case no addition will be made to the employer's rate for the next calendar year."

Ch. 16, L. 1983, effective March 18, 1983, deleted former subsection B., which read as follows:

"B. This section does not apply to employer contribution rates beginning with the calendar year 1984."

OTHER PROVISIONS OF THIS CHAPTER; DEPARTMENT REGULATIONS; APPLICABILITY

Sec. 23-766.

Except as otherwise provided by or inconsistent with this article, this chapter and department regulations apply to benefits under this article.

As added by Ch. 84, L. 1981, effective December 31, 1981.

ARKANSAS--EMPLOYMENT SECURITY LAW

SHARED WORK UNEMPLOYMENT COMPENSATION

1. DEFINITIONS

For the purposes of this subsection, unless the context otherwise requires, the following definitions shall apply:

A. "Affected group" means two or more employees designated by an employer to participate in a shared work plan. "Subgroup" means a group of employees which constitutes at least ten percent of the employees in an affected group.

B. "Approved plan" means an employer's voluntary written plan for reducing unemployment under which a specified group of employees shares the work remaining after their normal weekly hours of work are reduced, which plan meets the requirements of paragraph (2) of this subsection, and which plan has been approved in writing by the Administrator.

C. "Fringe benefits" include, but are not limited to, such advantages as health insurance (hospital, medical, and dental services, etc.) retirement benefits under defined benefit pension plans (as defined in Section 3(35) of the Employee Retirement Income Security Act of 1974), paid vacation and holidays, sick leave, etc., which are incidents of employment in addition to the cash remuneration earned.

D. "Normal weekly hours of work" means the normal hours of work for full-time and permanent part-time employees in the affected group when their employing unit is operating on its normal, full-time basis, not to exceed forty hours and not including overtime.

E. "Shared work benefits" means the unemployment compensation benefits payable to employees in an affected group under an approved plan as distinguished from the unemployment benefits otherwise payable under other provisions of this Law.

F. "Shared work employer" means an employer with a shared work plan in effect. An individual who or an employing unit which succeeds to or acquires, pursuant to subsection 7(e), an organization, trade or business with a shared work plan in effect automatically becomes a shared work employer and adopts such plan, if such individual or employing unit ratifies, in writing, the previously approved plan.

G. "Unemployment compensation" mean the unemployment benefits payable under this Law other than shared work benefits and includes any amounts payable pursuant to an agreement under any Federal law providing for compensation, assistance, or allowances with respect to unemployment.

2. CRITERIA FOR SHARED WORK PLAN APPROVAL

An employer wishing to participate in a shared work program shall submit a signed written shared work compensation plan to the Administrator for approval. The Administrator shall approve a shared work unemployment compensation plan only if the following criteria are met:

A. The plan applies to and identifies the specified affected group.

B. The employees in the affected group or groups are identified by name, social security number and by any other information required by the Administrator.

C. The usual weekly hours of work for employees in the affected group or groups are reduced by not less that ten (10) percent and not more than forty (40) percent.

D. Health benefits and retirement benefits under defined benefit pension plans (as defined in Section 3(35) of the Employee Retirement Income Security Act of 1974), and other fringe benefits will continue to be provided to employees in the affected group or groups as though their work weeks had not been reduced.

E. The plan certifies that the aggregate reduction in work hours is in lieu of temporary layoffs which would have affected at least ten (10) percent of the employees in the affected group or groups to which the plan applies and which would have resulted in an equivalent reduction in work hours.

F. During the previous four months the work force in the affected unit has not been reduced by temporary layoffs of more than ten (10) percent of the workers.

G. The plan applies to at least ten (10) percent of the employees in the affected group. If the plan applies to all employees in the affected group, the plan provides equal treatment to all employees of the group. If the affected group is divided into subgroups, the plan provides equal treatment to employees within each subgroup.

H. In the case of employees represented by an exclusive bargaining representative, the plan is approved in writing by the collective bargaining agent. In the event that the certification of an exclusive bargaining representative has been appealed, such bargaining representative shall be considered to be the exclusive bargaining representative for work sharing plan purposes. In the absence of any such bargaining representative, the plan must contain a certification by the employer that he has made the proposed plan, or a summary thereof, available to each employee in the affected group for inspection.

I. The plan includes a certified statement by the employer that each employee in the affected group would be eligible for normal unemployment compensation under Section 4(c) of this Law. Any employee who joins an affected group after the approval of the shared work plan is automatically covered under the previously approved plan, effective the week that the Administrator receives written notice from the shared work employer that the employee has joined and certification that the employee meets the requirements of Section 4(e) of this Law.

J. On the most recent computation date preceding the date of submittal of the shared work plan for approval, the total of all contributions paid on the employing unit's own behalf and credited to his account for all previous periods equaled or exceeded the regular benefits charged to his account for all such previous periods.

K. The plan will not serve as a subsidy of seasonal employment during the off season, nor as a subsidy of temporary part-time or intermittent employment.

L. The employer agrees to furnish reports relating to the proper conduct of the plan and agrees to allow the Administrator or his authorized representatives access to all records necessary to verify the plan prior to approval and, after approval, to monitor and evaluate application of the plan.

3. APPROVAL OR REJECTION OF THE PLAN

The Administrator shall approve or reject a plan in writing within thirty (30) days of its receipt. The reasons for rejection shall be final and nonappealable, but the employer shall be allowed to submit another plan for approval not earlier than fifteen (15) days from the date of the earlier rejection.

4. EFFECTIVE DATE AND DURATION OF PLAN

A plan shall be effective on the date specified in the plan or on a date mutually agreed upon by the employer and the Administrator. It shall expire at the end of the 12th full calendar month after its effective data or on the date specified in the plan if such date is earlier; provided, that the plan is not previously revoked by the Administrator. If a plan is revoked by the Administrator, it shall terminate on the date specified in the Administrator's written order of revocation.

5. REVOCATION OF APPROVAL

The Administrator may revoke approval of a plan for good cause. The revocation order shall be in writing and shall specify the date the revocation is effective and the reasons therefor.

Good cause shall include, but not be limited to, failure to comply with the assurances given in the plan, unreasonable revision of productivity standards for the affected unit, conduct or occurrences tending to defeat the intent and effective operation of the plan, and violation of any criteria on which approval of the plan was based.

Such action may be taken at any time by the Administrator on his own motion, on the motion of any of the affected unit's employees or on the motion of the appropriate collective bargaining agent(s); provided, that the Administrator shall review the operation of each qualified employer plan at least once during the 12-month period the plan is in effect to assure its compliance with the requirements of these provisions.

6. MODIFICATION OF AN APPROVED PLAN

An operational, approved, shared work plan may be modified by the employer with the aquiescence of employee representatives if the modification is not substantial and is in conformity with the plan approved by the Administrator, but the modifications must be reported promptly to the Administrator. If the hours of work are increased or decreased substantially beyond the level in the original plan, or any other conditions are changed substantially, the Administrator shall approve or disapprove such modification, without changing the expiration date of the original plan. If the substantial

modifications do not meet the requirements for approval, the Administrator shall disallow that portion of the plan in writing as specified in paragraph (5) of this subsection.

7. ELIGIBILITY FOR SHARED-WORK COMPENSATION

As individual is eligible to receive shared work unemployment compensation benefit with respect to any week only if, in addition to monetary entitlement, the Director finds that:

A. During the week, the individual is employed as a member of an affected group under an approved shared work compensation plan which was approved prior to that week, and the plan is in effect with respect to the week for which such benefits are claimed.

B. During the week, the individual is able to work and is available for the normal work week with the shared work employer.

C. Notwithstanding any other provisions of this Law to the contrary, an individual is deemed unemployed in any week for which remuneration is payable to him as an employee in an affected group for ninety (90) percent or less than his normal weekly hours of work as specified under the approved shared work compensation plan in effect for the week.

D. Notwithstanding any other provisions of this Law to the contrary, an individual shall not be denied shared work unemployment compensation benefits for any week by reason of the application of provisions relating to availability for work and active search for work with an employer other than the shared work unemployment compensation employer.

8. BENEFITS

A. The shared work unemployment compensation weekly benefit amount shall be the product of the regular weekly unemployment compensation amount multiplied by the percentage of reduction of at least ten (10) percent in the individual's usual weekly hours of work.

B. An individual may be eligible for shared work unemployment compensation benefits or unemployment compensation, as appropriate, except that no individual shall be eligible for combined benefits in any benefit year in an amount more than the maximum entitlement established for unemployment compensation, nor shall an individual be paid shared work unemployment compensation benefits for more

than 26 weeks (whether or not consecutive) in any benefit year pursuant to a shared work plan.

C. The shared work unemployment compensation benefits paid an individual shall be deducted from the maximum entitlement amount established for that individual's benefit year.

D. Claims for shared work unemployment compensation benefits shall be filed in the same manner as claims for unemployment compensation or as prescribed in regulations by the Administrator.

9. Except as otherwise provided in this subsection 3(e), provisions of this law that are applicable to unemployment compensation claimants shall apply to shared work unemployment compensation claimants. An individual who files an initial claim for shared work unemployment compensation benefits shall be provided, if eligible therefor, a monetary determination of entitlement to shared work unemployment compensation benefits and shall serve a waiting week.

10. A. If an individual works in the same week for an employer other than the shared work employer and his combined hours of work for both employers are equal to or greater than the usual hours of work with the shared work employer, he or she shall not be entitled to benefits under these shared work provisions or the unemployment compensation provisions.

B. If an individual works in the same week for both the shared work employer and another employer and his combined hours of work for both employers are equal to or less than ninety (90) percent of the usual hours of work for the shared work employer, the benefit amount payable for that week shall be the weekly unemployment compensation amount reduced by the same percentage that the combined hours are of the usual hours of work. A week for which benefits are paid under this provision shall count as a week of shared work unemployment compensation.

C. If an individual, with the approval of the employer, did not work during any portion of the work week, other than the reduced portion covered by the shared work plan, he or she shall not be disqualified for such absence or deemed ineligible for shared work unemployment benefits for that reason alone.

11. An individual who performs no services during a week for the shared work employer and is otherwise eligible, shall be paid the full weekly unemployment compensation amount.

Such a week shall not be counted as a week with respect to which shared work unemployment compensation was received.

12. An individual who does not work for the shared work employer during a week, but works for another employer and is otherwise eligible, shall be paid benefits for that week under the partial unemployment compensation provisions of this Law.

Such a week shall not be counted as a week with respect to which shared work unemployment compensation was received.

13. Nothing in this subsection 3(e) shall preclude an otherwise eligible claimant from drawing total or partial unemployment benefits when he has exhausted his shared work benefits.

14. CHARGING SHARED WORK UNEMPLOYMENT COMPENSATION

Shared work unemployment compensation shall be charged to the employers' experience rating accounts in the same manner as unemployment compensation is charged under this Law. Employers liable for payments in lieu of contributions shall have shared work unemployment compensation attributed to service in their employ in the same manner as unemployment compensation is attributed.

15. EXTENDED BENEFITS

An individual who has received all of the combined unemployment compensation and shared work unemployment compensation available in a benefit year shall be considered an exhaustee for purposes of extended benefits, as provided under the provisions of Section 21 of Act 35 of 1971, as amended, and, if otherwise eligible under those provisions, shall be eligible to receive extended benefits.

Source: Act 329 and H.455, L. 1985, effective July 1, 1985.

Note that current subsection (e) was enacted by Act 329, L. 1985, effective July 1, 1985.

Prior to repeal by Acts 8 and 9, L. 1985, effective January 30, 1985, subsection (e) read as follows:

Benefits Upon Terminating or Securing Regular Work

"(e) Notwithstanding any other provisions of this act the Commissioner may by regulation prescribe what the

existence of unemployment eligibility for benefits and the amount of benefits payable shall be determined, in the case of any otherwise eligible claimant, who, within a week of unemployment is separated from or secures work on a regular attachment basis, for what portion of the week occurring before or after such separation from or securing of work, provided such rules are reasonably calculated to secure general results substantially similar to those provided by this Act with respect to weeks of unemployment."

ROUNDING OF BENEFITS

(f) Any weekly benefit amount which is reduced because of the receipt of remuneration as defined under subsection (f) of Section 5 and which is not an even multiple of One Dollar ($1.00) shall be rounded to the next lower multiple of One Dollar ($1.00).

As added by Act 482, L. 1983, effective March 16, 1983.

CALIFORNIA--UNEMPLOYMENT INSURANCE CODE

SHARED WORK PROGRAM

[Caution: The following section is effective only until December 31, 1986]

Sec. 1279.5.

a. Notwithstanding Section 1252 or 1252.2 or any other provision of this part, for the purposes of this section an individual is "unemployed" in any week if the individual works less than his or her normal weekly hours of work for the individual's regular employer, and the director finds that the regular employer has reduced or restricted the individual's normal hours of work, or has rehired an individual previously laid off and reduced that individual's normal hours of work from those previously worked, as the result of a plan by the regular employer to, in lieu of layoff, reduce [un]employment and stabilize the work force by a program of sharing the work remaining after a reduction in total hours of work and a corresponding reduction in wages of at least 10 percent. The application for approval of a plan shall require the employer to briefly describe the circumstances requiring the use of work sharing to avoid a layoff. Normal weekly hours of work means the number of hours in a week that the employee normally would work for the regular employer or 40 hours, whichever is less. The plan must involve the participation of at least two employees and include not less than 10 percent of the employer's regular permanent work force involved in the affected work unit or units in each week, or in at least one week of a two-consecutive-week period. A plan approved by the director shall expire six months after the effective date of the plan.

b. Except as otherwise provided in this section, each individual eligible under this chapter who is "unemployed" in any week shall be paid with respect to that week a weekly shared work unemployment compensation benefit amount equal to the percentage of reduction of the individual's wages resulting from an approved plan, rounded to the nearest 5 percent, multiplied by the individual's weekly benefit amount.

c. No individual who receives any benefits under this section during any benefit year shall receive any benefits pursuant to Section 1252 or 1252.2 as a partially unemployed individual with respect to any week during such benefit year while in employment status with the regular

employer who initiated the program of sharing work under this section. No benefits under this section shall be payable on any type of extended claim.

d. Any amount payable under this section shall be reduced by the amount of any and all compensation payable for personal services whether performed as an employee or an independent contractor or as a juror or as a witness, except compensation payable by the regular employer under a shared work plan.

   For the purposes of this subdivision, "regular employer" may include, pursuant to an approved plan, a labor organization which periodically employs individuals in accordance with a collective bargaining agreement.

e. The benefit payment under this section, if not a multiple of one dollar($1), shall be increased to the next higher multiple of one dollar ($1).

f. Section 1279 shall not apply to any individual eligible for any payment under this section.

g. For the purposes of this section, an individual shall not be disqualified under subdivision (c) of Section 1253 for any week if both of the following conditions exist:

   1. The individual has not been absent from work without the approval of the regular employer.

   2. The individual accepted all work the regular employer made available to the individual during hours scheduled off due to the work-sharing plan.

h. Except as otherwise provided by or inconsistent with this section, all provisions of this division and authorized regulations apply to benefits under this section. Authorized regulations may, to the extent permitted by federal law, make such distinctions and requirements as may be necessary in the procedures and provisions applicable to unemployed individuals to carry out the purposes of this section, including regulations defining normal hours, days, workweek, and wages.

i. Employees shall not be eligible to receive any benefits under this section unless their employer agrees, in writing, and their bargaining agent pursuant to any applicable collective bargaining agreement agrees, in writing, to voluntarily participate in the shared work unemployment insurance benefit program created by this section.

j. Notwithstanding Section 1327, the department shall not be required to notify an employer of additional claims which result from an approved plan submitted by the employer under which benefits are not paid in each week.

k. The director may terminate a shared work plan for good cause if the plan is not being carried out according to its terms and intent.

As added by Ch. 397, L. 1978; as amended by Ch. 506, L. 1979; Ch. 674, L. 1981; Ch. 542, L. 1983; Ch. 64, L. 1985; Ch. 1202, L. 1986.

Ch. 1202, L. 1986, effective January 1, 1987, has reenacted Sec. 1279.5, which was to be repealed December 31, 1986. Ch. 1202, deleted subsection (1), which read as follows:

"(1) This section shall remain in effect only until December 31, 1986, and on that date is repealed."

RATES FOR CERTAIN EMPLOYERS PARTICIPATING IN SHARED WORK UNEMPLOYMENT INSURANCE PROGRAM

Sec. 978.5.

a. Any employer who has elected under Section 1279.5 to participate in the shared work unemployment insurance benefit program, who has a negative account balance on June 30 of two consecutive years, and whose reserve account has been charged for benefits paid under Section 1279.5 during the 12-month period ending upon the later June 30 shall pay into the Unemployment Fund, in addition to all other contributions required by this division, contributions for the calendar year next succeeding such June 30 equal to the amount of benefits paid under Section 1279.5 during the 12-month period. These additional contributions shall be assessed annually and may be paid in quarterly installments, not to exceed 12 months from the date of assessment, at the time and in the manner prescribed by the director.

b. Contributions paid pursuant to this section shall be "contributions paid on his or her own behalf" as defined by Section 906.

c. The director shall provide a copy and explanation of this section to all employers who submit an application pursuant to Section 1279.5.

As added by Ch. 397, L. 1978; as amended by Ch. 506, L. 1979; Ch. 674, L. 1981; Ch. 542, L. 1983; Ch. 694, L. 1984; Ch. 1202, L. 1986.

Prior to amendment by Ch. 1202, L. 1986, effective January 1, 1987, Sec. 978.5 read as follows:

Sec. 978.5 (a) Except as provided in subdivision (e), any employer who has elected under Section 1279.5 to participate in the shared work unemployment insurance benefit program, who has a negative reserve account balance on June 30 of two consecutive years, and whose reserve account has been charged for benefits paid under Section 1279.5 during the 12-month period ending upon the later June 30 shall pay into the Unemployment Fund, in addition to all other contributions required by this division, contributions for the calendar year next succeeding such June 30 equal to the amount of benefits paid under Section 1279.5 during the 12-month period. These additional contributions shall be assessed annually and may not be paid in quarterly installments, not to exceed 12 months from the date of assessment, at the time and in the manner prescribed by the director.

(b) Contributions paid pursuant to this section shall be contributions paid on his or her own behalf as defined by Section 906.

(c) Contributions paid by an employer pursuant to this section for the 12-month period ending December 31, 1983, in excess of the amount of benefits paid pursuant to Section 1279.5 and charged to the employer's reserve account in the 12-month period ending June 30, 1982, shall be deemed erroneously collected and the employer shall be entitled to a refund or credit pursuant to Article 9 (commencing with Section 1176) in the amount of contributions erroneously collected. Within 90 days after the effective date of this subdivision, the director shall provide a copy and explanation of this section to all employers who, on or after July 1, 1981, have had in effect a work-sharing unemployment insurance plan and are subject to contributions pursuant to this section. No interest shall be charged or payable on refunds made under this subdivision.

(d) The director shall provide a copy and explanation of this section to all employers who submit an application pursuant to Section 1279.5.

(e) An employer who has or had a plan under Section 1279.5 which was approved under standards applicable prior to July 28, 1983, who has a negative reserve balance on June 30 of two consecutive years, and whose reserve account has been charged for benefits paid under Section 1279.5 during the 12-month period ending upon the later June 30, may elect to pay into the Unemployment Fund, in lieu of the contributions required under subdivision (a) for the calendar year 1984 or 1985, or both, contributions for the calendar year 1984 or 1985, or both, upon all wages with respect to employment at the rate prescribed by this subdivision based upon the ratio of the employer's actual net balance of reserve to the employer's average base payroll. If as of June 30 an employer's actual net balance of reserve equals or exceeds that percentage of his or her average base payroll which appears on any line in column 1 of the following table but is less than that percentage which appears on the same line in column 2 of that table, his or her rate shall be the figure appearing on that same line in column 3:

Reserve Balance Line	Col. 1	Col. 2.	Contribution rate Col. 3
1	-100.0%	No limitation	3.0%
2	-80.0%	-100.0%	2.5%
3	-60.0%	-80.0%	2.0%
4	-40.0%	-60.0%	1.5%
5	-20.0%	-40.0%	1.0%
6	More than 0.0%	-20.0%	0.5%

Section 1207.5 does not apply to reserve balance computations made under this subdivision. Contributions paid pursuant to this subdivision shall be included as employer contributions under Section 1110 and 1110.1 and for all other purposes under this division. An election to pay contributions pursuant to this subdivision in 1984 or 1985 shall deem any contributions paid for the same year pursuant to subdivision (a) as erroneously collected, and the employer shall be entitled to a credit pursuant to Article 9 (commencing with Section 1176) in the amount of the contributions erroneously collected. No interest shall be charged or payable on credits made under this subdivision.

Within 90 days of the effective date of this subdivision, the director shall provide a copy and explanation of this amended section to all employers who, on or after January 1, 1983, had in effect a work-sharing unemployment insurance plan and are subject to contributions pursuant

to this section. Employers who elect the method of payment authorized by this subdivision shall do so within 90 days of receipt of this notice for 1984 and within 60 days of notice to pay additional contributions under this section for 1985.

This subdivision shall remain operative only until January 1, 1986.

(f) This section shall remain in effect only until December 31, 1989, and on that date is repealed.

FLORIDA-- UNEMPLOYMENT COMPENSATION LAW

SHORT-TIME COMPENSATION PROGRAM

DEFINITIONS

6. a. As used in this subsection:

1. "Affected unit" means a specified plant, department, shift, or other definable unit of two or more employees designated by the employer to participate in a short-time compensation plan.

2. "Normal weekly hours of work" means the number of hours in a week that an individual would regularly work for the short-time compensation employer, not to exceed 40 hours, excluding overtime.

3. "Short-time compensation benefits" means benefits payable to individuals in an affected unit under an approved short-time compensation plan.

4. "Short-time compensation employer" means an employer with a short-time compensation plan in effect.

5. "Short-time compensation plan" or "plan" means an employer's written plan for reducing unemployment under which an affected unit shares the work remaining after its normal weekly hours of work are reduced.

As added by Ch. 285, L. 1983, effective January 1, 1984, and expiring December 31, 1989.

REQUIREMENTS FOR APPROVAL OF SHORT-TIME COMPENSATION PLANS

b. An employer wishing to participate in the short-time compensation program shall submit a signed, written, short-time plan to the director of the division for approval. The director shall approve the plan if:

1. The plan applies to and identifies the specific affected units.

2. The individuals in the affected unit are identified by name and social security number.

3. The normal weekly hours of work for individuals in the affected unit or units are reduced by not less than 10 percent and by not more than 40 percent.

4. The plan includes a certified statement by the employer that the aggregate reduction in work hours is in lieu of temporary layoffs which would have affected at least 10 percent of the employees in the affected unit and which would have resulted in an equivalent reduction in work hours.

5. The plan applies to at least 10 percent of the employees in the affected unit.

6. The plan is approved in writing by the collective bargaining agent for each collective bargaining agreement covering any individual in the affected unit.

7. The plan will not serve as a subsidy of seasonal employers during the off season nor as a subsidy of employers who have traditionally used part-time employees.

8. The plan certifies the manner in which the employer will treat fringe benefits of the individuals in the affected unit if the individuals' hours are reduced to less than their normal weekly hours of work. For purposes of this subparagraph, "fringe benefits" includes, but is not limited to, health insurance, retirement benefits under defined benefit pension plans (as defined in section 35 of section 1002 of the Employee Retirement Income Security Act of 1974, P.L. 93-406), paid vacation and holidays, and sick leave.

As added by Ch. 285, L. 1983, effective January 1, 1984, and expiring December 31, 1989.

APPROVAL OR DISAPPROVAL OF THE PLAN

c. The director shall approve or disapprove a short-time compensation plan in writing within 15 days after its receipt. If the plan is denied, the director shall notify the employer of the reasons for disapproval.

As added by Ch. 285, L. 1983, effective January 1, 1984, and expiring December 31, 1989.

BEGINNING AND TERMINATION OF SHORT-TIME COMPENSATION BENEFIT PERIOD

d. A plan shall be effective on the date of the director's approval and shall expire at the end of the 12th full calendar month after its effective date.

As added by Ch. 285, L. 1983, effective January 1, 1984, and expiring December 31, 1989.

ELIGIBILITY REQUIREMENTS FOR SHORT- TIME COMPENSATION BENEFITS

e. 1. Except as provided in this paragraph, an individual is eligible to receive short-time compensation benefits with respect to any week only if he has satisfied the requirements of this chapter and the division finds that:

a. The individual is employed as a member of an affected unit in an approved plan which was approved prior to the week and is in effect for the week.

b. The individual is able to work and is available for additional hours of work or full-time work with the short-time employer.

c. The individual's normal weekly hours of work were reduced at least by 10 percent but not by more than 40 percent, with a corresponding reduction in wages.

2. The division shall not deny an otherwise eligible individual short-time compensation benefits for any week by reason of the application of any provision of this chapter relating to availability for work, active search for work, or refusal to apply for or accept work from other than the individual's short-time compensation employer.

3. Notwithstanding any other provisions of this chapter, an individual is deemed unemployed in any week for which compensation is payable to him, as an employee in an affected unit, for less than his normal weekly hours of work in accordance with an approved short-time compensation plan in effect for the week.

As added by Ch. 285, L. 1983, effective January 1, 1984, and expiring December 31, 1989.

WEEKLY SHORT-TIME COMPENSATION BENEFIT AMOUNT

f. The weekly short-time compensation benefit amount payable to an individual shall be an amount equal to the product of his weekly benefit amount as provided in s. 443.111(2) and the ratio of the number of normal weekly hours of work for which the employer would not compensate the individual to the individual's normal weekly hours of work. Such benefit amount, if not a multiple of $1, shall be rounded downward to the next lower multiple of $1.

As added by Ch. 285, L. 1983, effective January 1, 1984, and expiring December 31, 1989

TOTAL SHORT-TIME COMPENSATION BENEFIT AMOUNT

g. 1. No individual shall be paid benefits under this paragraph in any benefit year for more than the maximum entitlement provided in s. 443.111(4), nor shall an individual be paid short-time compensation benefits for more than 26 weeks in any benefit year.

As added by Ch. 285, L. 1983, effective January 1, 1984, and expiring December 31, 1989.

EFFECT OF SHORT-TIME COMPENSATION BENEFITS RELATING TO THE PAYMENT OF REGULAR AND EXTENDED BENEFITS

h. 1. The short-time compensation benefits paid to an individual shall be deducted from the total benefit amount established for that individual as provided in s. 443.111(4).

2. An individual who has received all of the short-time compensation or combined unemployment compensation and short-time compensation available in a benefit year shall be considered an exhaustee for purposes of the extended benefits program as provided in s.443.111(5) and, if otherwise eligible under those provisions, shall be eligible to receive extended benefits.

3. No otherwise eligible individual shall be disqualified from benefits for leaving employment instead of accepting a reduction in hours pursuant to the implementation of an approved plan.

As added by Ch. 285, L. 1983, effective January 1, 1984, and expiring December 31, 1989.

ALLOCATION OF SHORT-TIME COMPENSATION BENEFIT CHARGES

i. Except when the result would be inconsistent with the other provisions of this chapter, short-time compensation benefits shall be charged to the employment record of employers as provided in s.443.131(3).

As added by Ch. 285, L. 1983, effective January 1, 1984, and expiring December 31, 1989.

ILLINOIS--UNEMPLOYMENT INSURANCE ACT

SHARED WORK BENEFITS

Sec. 407.1.

a. Notwithstanding any other provision of this Act, for the purposes of this Section an individual is "unemployed" in any week if the individual works less than his or her normal hours or number of days in a week for the individual's regular employer, and the Director finds that the regular employer has reduced or restricted the individual's hours or days of work, or has rehired an individual previously laid off and reduced that individual's hours or days of work from those previously worked, as the result of a plan by the regular employer to reduce unemployment and stabilize the work force through a program of sharing the work remaining after a reduction in total hours of work and a corresponding reduction in wages, among not less than 10% of the employer's regular permanent work force involved in the affected work unit or units.

b. Except as otherwise provided in this Section, each individual eligible under this Act who is "unemployed" in any week shall be paid with respect to that week a weekly shared work benefit amount equal to the percentage of reduction of the individual's wages resulting from reduced hours or days of work, rounded to the nearest 10%, multiplied by 50% of the lesser of the individual's current full time weekly wage rounded to the next higher dollar or the Statewide average weekly wage as defined in Section 401(B)(2) of this Act, except that this provision shall apply only if the percentage of reduction is 10% or more. The shared work benefit amount shall be rounded (if not already a multiple of one dollar) to the next higher dollar.

c. No individual shall be paid any benefits under this Section in excess of 20 weeks of benefits during a period of 52 consecutive weeks, beginning with the first week of benefits paid under this Section. An individual shall be ineligible for benefits under this Section for any week with respect to which the individual has made a claim for unemployment insurance benefits pursuant to any other Section of this Act or under an unemployment insurance law of any other State or Canada or under an unemployment insurance system established by an Act of Congress; provided, however, that if the appropriate agency finally determines that the individual is not entitled to unemployment insurance benefits for the week or weeks

involved and that determination has become final and unappealable, the ineligibility arising from the making of a claim under this subsection shall not apply.

d. Any amount payable under this Section shall be reduced by the amount of any and all compensation payable for personal services whether performed as an employee or an independent contractor or as a juror or as a witness, except compensation payable by the regular employer not in excess of compensation payable for reduced hours of work assigned an individual by the regular employer under a shared work plan.

e. All benefits payable under this Section shall be paid from the Shared Work Benefits Fund which is hereby created. Following any biweekly period, or periods, participating employers shall submit to the Department on forms provided by the Director, a list of those employees who, during any prior biweekly period or periods, are entitled to shared work benefits, the week or weeks for which they are entitled, and the amount of such benefits to be paid to each employee. Additional information shall be submitted as may be required by the Director. The completed form shall be accompanied by the employer's payment in an amount equal to all benefits to be paid for the biweekly period or periods pursuant to this Section. The employer's form shall also be accompanied by the certifications, on forms provided by the Director, of each employee entitled to receive shared work benefits for the biweekly period or periods. The employee certification form shall include such information as may be required by the Director. All amounts collected pursuant to this Section shall be deposited into the Shared Work Benefits Fund. No benefits may be paid under this Section to an employee of an employer for any period for which the employer has not submitted the necessary forms or payments.

f. Except as otherwise provided by or inconsistent with this Section, all provisions of this Act and authorized regulations apply to benefits under this Section. Authorized regulations may, to the extent permitted by federal law, make such distinctions and requirements as may be necessary in the procedures and provisions applicable to unemployed individuals to carry out the purposes of this Section. No employee shall be required to register for work or actively seek work as a condition of receiving benefits under this Section.

g. The Department, in the administration of the program created by this Section, shall establish guidelines which ensure the equitable and consistent administration of the program.

h. The program created by this Section shall not affect any pension or insurance benefit of employees participating in the program.

i. Employees shall not be eligible to receive any benefits under this Section unless their employer agrees, in writing, and their bargaining agent pursuant to any applicable collective bargaining agreement agrees, in writing, to voluntarily participate in the shared work program approved by the Director.

j. The Director shall receive and hold, as custodian, all monies paid to the Shared Work Benefits Fund in a nonappropriated local account. The monies in such account, (which shall be kept separate and apart from all other public monies) shall be expended solely for the payment of benefits under the provisions of this Act and in accordance with any guidelines the Director may subsequently develop. The General Assembly shall appropriate funds for the administration of the Shared Work Program. In the event that the funds appropriated for the administration of the shared work program are insufficient for the proper administration of this program, as determined by the Director, the program, and any benefits payable pursuant to this Section shall terminate until such time as the Director determines that sufficient appropriation is available.

k. In the event this amendatory Act (H. 3221) of 1984 becomes law after July 1, 1984, the changes made in this Section by this amendatory Act are retroactive to that date.

l. This Section is repealed as of January 1, 1988.

As added by P. A. 952, L. 1983, effective July 1, 1984; as amended by H. 3221, L. 1984.

H. 3221, L. 1984 effective August 31, 1984, made the following changes in Sec. 401.1:

Substituted "next higher" for "nearest" in the penultimate sentence of subsection (b);

Added the last sentence of subsection (b);

Substituted subsection (c) for the following:

"(c) No individual shall be paid any benefits under this Section in excess of 20 weeks of benefits during a period of 52 consecutive weeks, beginning with the first week of benefits paid under this Section. No individual who

receives any benefits under this Section during any benefit year shall receive any benefits pursuant to any other Section as a partially unemployed individual with respect to any week during such benefit year while in employment status with the regular employer who initiated the program of sharing work under this Section."

Deleted "unemployment insurance benefit" which formerly followed "shared work" in subsection (l);

Substituted subsection (j) for the following:

"(j) The Director shall receive and hold, as custodian, all monies paid to the Shared Work Benefits Fund in a nonappropriated local account. The monies in such account, (which shall be kept separate and apart from all other public monies) shall be expended solely for the payment of benefits under the provisions of this Act and in accordance with any guidelines the Director may subsequently develop. The General Assembly shall appropriate funds for the administration of Shared Work Programs. All funds appropriated for the administration of this program shall be immediately deposited into an account in the State treasury. Such account shall be kept separate from all other public monies. Funds from this account shall be extended by the Director whenever the Director determines that such expenditure is necessary for the proper administration of this Section. In the event that the funds appropriated for the administration of the shared work program are insufficient for the proper administration of this program, as determined by the Director, the program, and any benefits payable pursuant to this Section shall terminate until such time as the Director determines that sufficient administrative funds are available."

Added current subsection (k);

Redesignated former subsection (k) as (l).

LOUISIANA--EMPLOYMENT SECURITY LAW

PART XI. SHARED WORK PLANS

DEFINITIONS

Sec. 1750.

For the purposes of this Part, unless the content otherwise requires, the following terms shall have the meaning ascribed to them in this Section:

1. "Affected group" means three or more employees of a specified plant, department, shift, or other affected unit designated by an employer to participate in a shared-work plan. "Sub-group" means a group of employees which constitutes at least ten percent of the employees in an affected group.

2. "Approved plan" means an employer's voluntary written plan for reducing unemployment under which a specified group of employees shares the work remaining after their normal weekly hours of work are reduced, which plan meets the requirements of R. S. 23:1750.1, and which plan has been approved in writing by the administrator.

3. "Fringe benefits" include but are not limited to such advantages as health insurance including hospital, medical, and dental services, retirement benefits under defined benefit pension plans (as defined in Section 3(35) of the Employee Retirement Income Security Act of 1974), paid vacation and holidays, sick leave, etc., which are incidents of employment in addition to the cash renumeration earned.

4. "Normal weekly hours of work" means the normal hours of work for full-time and permanent part-time employees in the affected group when their employing unit is operating on its normal, full-time basis, not to exceed forty hours and not including overtime.

5. "Shared-work benefits" means the unemployment compensation benefits payable to employees in an affected group under an approved plan as distinguished from the unemployment benefits otherwise payable under other provisions of this Chapter.

6. "Shared-work employers" means an employer with a shared-work plan in effect. An individual who or an employing unit which succeeds to or acquires, pursuant to

R. S. 23:1539, an organization, trade, or business with a shared-work plan in effect automatically becomes a shared-work employer and adopts such plan, if such individual or employing unit ratifies, in writing, the previously approved plan.

7. "Unemployment compensation" means the unemployment benefits payable under this Chapter other than shared-work benefits and includes any amounts payable pursuant to an agreement under any federal law providing for compensation, assistance, or allowance with respect to unemployment.

Added by Act 895, L. 1985, effective January 1, 1986.

CRITERIA FOR SHARED-WORK PLAN APPROVAL

Sec. 1750.1.

An employer wishing to participate in a shared-work program shall submit a signed written shared-work compensation plan to the administrator for approval. The administrator shall approve a shared-work unemployment compensation plan only if the following criteria are met:

1. The plan applies to and identifies the specified affected group.

2. The employees in the affected group or groups are identified by name, social security number, and by any other information required by the administrator.

3. The usual weekly hours of work for employees in the affected group or groups are reduced by not less than twenty percent and not more than forty percent.

4. Health benefits and retirement benefits under defined benefit pension plans (as defined in Section 3(35) of the Employee Retirement Income Security Act of 1974), and other fringe benefits will continue to be provided to employees in the affected group or groups as though their work weeks had not been reduced.

5. The plan certifies that the aggregate reduction in work hours is in lieu of temporary layoffs which would have affected at least ten percent of the employees in the affected group or groups to which the plan applies and which would have resulted in an equivalent reduction in work hours.

6. During the previous four months the work force in the affected group has not been reduced by temporary layoffs of more than ten percent of the workers.

7. The plan applies to at least ten percent of the employees in the affected group, provided no plan shall involve fewer than three employees. If the plan applies to all employees in the affected group, the plan provides equal treatment to all employees of the group. If the affected group is divided into subgroups, the plan provides equal treatment to employees within each subgroup.

8. In the case of employees represented by an exclusive bargaining representative, the plan is approved in writing by the collective bargaining agent. In the event that the certification of an exclusive bargaining representative has been appealed, such bargaining representative shall be considered to be the exclusive bargaining representative for work sharing plan purposes. In the absence of any such bargaining representative, the plan must contain a certification by the employer that he has made the proposed plan, or a summary thereof, available to each employee in the affected group for inspection.

9. On the most recent computation date preceding the date of submittal of the shared-work plan for approval, the total of all contributions, paid on the employing unit's own behalf and credited to his account for all previous periods, equaled or exceeded the regular benefits charged to his account for all such previous periods.

10. The plan will not serve as a subsidy of seasonal employment during the off season, nor as a subsidy of temporary part-time or intermittent employment.

11. The employer agrees to furnish reports relating to the proper conduct of the plan and agrees to allow the administrator or his authorized representatives access to all records necessary to verify the plan prior to approval and, after approval, to monitor and evaluate application of the plan.

Added by Act 895, L. 1985, effective January 1, 1986.

APPROVAL OR REJECTION OF THE PLAN

Sec. 1750.2.

The administrator shall approve or reject a plan in writing within thirty days of its receipt. The reasons

for rejection shall be final and nonappealable, but the employer shall be allowed to submit another plan for approval not earlier than fifteen days from the date of the earlier rejection.

Added by Act 895, L. 1985, effective January 1, 1986.

EFFECTIVE DATE AND DURATION OF PLAN

Sec. 1750.3.

A plan shall be effective on the date specified in the plan or on a date mutually agreed upon by the employer and the administrator. It shall expire at the end of the twelfth full calendar month after its effective date or on the date specified in the plan if such date is earlier; provided, that the plan is not previously revoked by the administrator. If a plan is revoked by the administrator, it shall terminate on the date specified in the administrator's written order of revocation.

Added by Act 895, L. 1985, effective January 1, 1986.

REVOCATION OF APPROVAL

Sec. 1750.4.

A. The administrator may revoke approval of a plan for good cause. The revocation order shall be in writing and shall specify the date the revocation is effective and the reasons therefor.

B. Good cause shall include but not be limited to failure to comply with the assurances given in the plan, unreasonable revision of productivity standards for the affected group, conduct, or occurrences tending to defeat the intent and effective operation of the plan, and violation of any criteria on which approval of the plan was based.

C. Such action may be taken at any time by the administrator on his own motion, on the motion of any of the affected unit's employees, or on the motion of the appropriate collective bargaining agent(s); however, the administrator shall review the operation of each qualified employer plan at least once during the twelve-month period the plan is in effect to assure its compliance with the requirements of these provisions.

Added by Act 895, L. 1985, effective January 1, 1986.

MODIFICATION OF AN APPROVED PLAN

Sec. 1750.5.

An operational, approved, shared-work plan may be modified by the employer with the acquiescence of employee representatives if the modification is not substantial and is in conformity with the plan approved by the administrator, but the modifications must be reported promptly to the administrator. If the hours of work are increased or decreased substantially beyond the level in the original plan, or any other conditions are changed substantially, the administrator shall approve or disapprove such modifications, without changing the expiration date of the original plan. If the substantial modifications do not meet the requirements for approval, the administrator shall disallow that portion of the plan in writing as specified in 1750.4 of this Part.

Added by Act 895, L. 1985, effective January 1, 1986.

ELIGIBILITY FOR SHARED-WORK COMPENSATION

Sec. 1750.6.

An individual is eligible to receive shared-work unemployment compensation benefits with respect to any week only if, in addition to monetary entitlement, the administrative finds that:

1. During the week, the individual is employed as a member of an affected group under an approved shared-work compensation plan which was approved prior to that week, and the plan is in effect with respect to the week for which such benefits are claimed.

2. During the week, the individual is able to work and is available for the normal work week with the shared-work employer.

3. Notwithstanding any other provisions of this Chapter to the contrary, as individual is deemed unemployed in any week for which remuneration is payable to him as an employee in an affected group for eighty percent or less than his normal weekly hours of work as specified under the approved shared-work compensation plan in effect for the week.

4. Notwithstanding any other provisions of this Chapter to the contrary, an individual shall not be denied shared-work unemployment compensation benefits for any week by reason of the application of provisions relating to availability for work and active search for work with an employer other than the shared-work unemployment compensation employer.

Added by Act 895, L. 1985, effective January 1, 1986.

BENEFITS

Sec. 1750.7.

A. The shared-work unemployment compensation weekly benefit amount shall be the product of the regular weekly unemployment compensation amount multiplied by the percentage of reduction of at least ten percent in the individual's usual weekly hours of work.

B. An individual may be eligible for shared-work unemployment compensation benefits or unemployment compensation, as appropriate, except that no individual shall be eligible for combined benefits in any benefit year in an amount more than the maximum entitlement established for unemployment compensation, nor shall an individual be paid shared-work unemployment compensation benefits for more than twenty-six weeks, whether or not consecutive, in any benefit year pursuant to a shared-work plan.

C. The shared-work unemployment compensation benefits paid an individual shall be deducted from the maximum entitlement amount established for that individual's benefit year.

D. Claims for shared-work unemployment compensation benefits shall be filed in the same manner as claims for unemployment compensation or as prescribed in regulations by the administrator.

E. Except as otherwise provided in this Part, provisions of this Chapter that are applicable to unemployment compensation claimants shall apply to shared-work unemployment compensation claimants. An individual who files an initial claim for shared-work unemployment compensation benefits shall be provided, if eligible therefor, a monetary determination of entitlement to shared-work unemployment compensation benefits and shall serve a waiting week.

F. 1. If an individual works in the same week for an employer other than the shared-work employer and his combined hours of work for both employers are equal to or greater than the usual hours of work with the shared-work employer, he or she shall not be entitled to benefits under these shared-work provisions or the unemployment compensation provisions.

2. If an individual works in the same week for both the shared-work employer and another employer and his combined hours of work for both employers are equal to or less than ninety percent of the usual hours of work for the shared-work employer, the benefit amount payable for that week shall be the weekly unemployment compensation amount reduced by the same percentage that the combined hours are of the usual hours of work. A week for which benefits are paid under this provision shall count as a week of shared-work unemployment compensation.

3. If an individual, with the approval of the employer, did not work during any portion of the work week, other than the reduced portion covered by the shared-work plan, he or she shall not be disqualified for such absence or deemed ineligible for shared-work unemployment benefits for that reason alone.

G. An individual who performs no services during a week for the shared-work employer and is otherwise eligible, shall be paid the full weekly unemployment compensation amount. Such a week shall not be counted as a week with respect to which shared-work unemployment compensation was received.

H. An individual who does not work for the shared-work employer during a week, but works for another employer and is otherwise eligible, shall be paid benefits for that week under the partial unemployment compensation provisions of this Chapter. Such a week shall not be counted as a week with respect to which shared-work unemployment compensation was received.

I. Nothing in this Part shall preclude an otherwise eligible claimant from drawing total or partial unemployment benefits when he has exhausted his shared-work benefits.

Added by Act 895, L. 1985, effective January 1, 1986.

CHARGING SHARED-WORK UNEMPLOYMENT COMPENSATION

Sec. 1750.8.

Shared-work unemployment compensation shall be charged to

the employers' experience rating accounts in the same manner as unemployment compensation is charged under this Chapter. Employers liable for payments in lieu of contributions shall have shared-work unemployment compensation attributed to service in their employ in the same manner as unemployment compensation is attributed.

Added by Act 895, L. 1985, effective January 1, 1986.

EXTENDED BENEFITS

Sec. 1750.9.

An individual, who has received all of the combined unemployment and shared-work unemployment compensation available in a benefit year, shall be considered an exhaustee for purposes of extended benefits, and if otherwise eligible, shall be eligible to receive extended benefits.

Added by Act 895, L. 1985, effective January 1, 1986.

GENERAL PROVISION: ROUNDING OF BENEFITS TO THE NEXT NEAREST DOLLAR

Sec. 1750.10.

A. Except as otherwise provided by or inconsistent with this Part, all provisions of this Chapter and authorized regulations apply to benefits under this Part. Authorized regulations, to the extent permitted by federal law, may make such distinctions and requirements as may be necessary in the procedures and provisions applicable to unemployed individuals to carry out the purposes of this Part, including regulations defining normal hours, days, work week, and wages.

B. The benefit payments under this Part, if not a multiple of one dollar, shall be rounded to the nearest multiple of one dollar.

Added by Act 895, L. 1985, effective January 1, 1986.

WORK SHARING UNEMPLOYMENT INSURANCE PROGRAMS

Sec. 24.

(a) In this section, the following terms have the meanings indicated:

1. "Affected unit" means a specified plant, department, shift, or other definable unit of an employer of not less than 2 employees to which an approved work sharing plan applies.

2. "Affected employee" means an individual continuously on the payroll of the affected unit for the 3 months immediately preceding the submission by the employer of the work sharing plan.

3. "Approved work sharing plan" means an employer's work sharing plan which meets the requirements of subsection (b) of this section and which is approved by the secretary.

4. "Employer's association" means an association which is a party to a collective bargaining agreement under which the parties may negotiate a work sharing plan or an association granted authority to become a party in such a plan by all members of the association.

5. "Fringe benefits" include, but are not limited to:

   (I) Health insurance for hospital, medical, dental, and similar services;

   (II) Retirement benefits under defined benefit pension plans as defined in 3(35) of the Federal Employee Retirement Income Security Act of 1974;

   (III) Paid Vacation and holidays;

   (IV) Sick leave; or

   (V) Similar advantages

6. "Normal weekly hours of work" means the number of hours in a week that the employee normally would work for the regular employer or 40 hours, whichever is less.

7. "Secretary" means the secretary of employment and training.

8. "Work sharing employer" is an employer or employer association with an approved work sharing plan in effect.

9. "Work sharing plan" means a plan of an employer or of an employer's association when the association is a party to a collective bargaining agreement, under which there is a reduction in the number of hours worked by the employees in an affected unit, and the affected employees share the remaining work after the normal weekly hours of work are reduced.

10. "Work sharing unemployment insurance benefits" means benefits, including those payable to federal civilian employees and to ex-service members pursuant to 5 of the United States Code, Chapter 85, payable to affected individuals under this Article for weeks of reduced work, under an approved work sharing plan as distinguished from unemployment insurance benefits otherwise payable under the provisions of this Article.

(b) 1. The purpose of the shared work benefit program is to preserve the employees' jobs and the employer's work force during times of lowered economic activity by reducing the hours or days of work for the employees rather than by laying off some of these employees while other employees would continue to work their normal hours or days of work.

2. The shared work benefit program seeks to ameliorate the adverse effects of a reduction in business activity by providing benefits for the portion of the normal hours or days of work during which an employee is not working.

(c) An employer or employer's association wishing to participate in the work sharing unemployment insurance program shall submit a signed, written work sharing plan to the secretary for approval. The secretary shall approve the work sharing plan only if the following criteria are met:

1. The work sharing plan identifies the affected unit or units to which it applies.

2. The employees in the affected unit or units are identified by name, social security number, and by any other information required by the Secretary.

3. The normal weekly hours of work for the affected employees in the affected unit or units are reduced by not less than 10 percent and not more than 50 percent. The 50 percent maximum reduction may be waived by the Secretary.

4. Subject to paragraph (7) of this subsection, that the work sharing plan certifies that the aggregate reduction in work hours is in lieu of layoff which would have affected at least 10 percent of the employees in the affected unit or units to which the plan applies and which would have resulted in an equivalent reduction in work hours.

5. The work sharing plan certifies that the affected employees were continuously on the employer's payroll for 3 months immediately preceding the date the work sharing plan is submitted.

6. The work sharing plan specifies the effect that work sharing will have on the fringe benefits of the employees in the affected unit or units.

7. The plan applies to at least 10 percent of the employees in the affected unit or units except that the 10 percent minimum shall be waived if at least 20 employees are affected and the plan applies to all affected employees of the affected unit or units equally.

8. The plan contain a reemployment assistance plan, developed with the secretary, for affected employees if the work sharing plan functions as the work sharing employer's transition to a permanent staff reduction.

9. The plan is approved in writing by the collective bargaining agent for each collective bargaining agreement covering any affected employee in the affected unit or units or in the absence of such an agent, by representatives of the employees or employees' association in the affected unit or units.

10. The work sharing plan shall not serve as a subsidy of seasonal employers during the off-season, nor as a subsidy of employers who have traditionally used part-time employees, those being employees who work less than 30 hours per week.

11. The plan specifies an expiration date which is no more than 6 months from the effective date to the plan.

12. The work sharing employer agrees to furnish reports necessary for the proper administration of the work sharing plan and to permit the department of employment and training access to all records necessary to verify the plan prior to approval and after approval to monitor and evaluate application of the plan.

(d) The secretary shall approve or disapprove a plan in writing within 15 days of receipt. If a plan is disapproved, the denial is final and not appealable. The employer may, however, submit another plan 15 days from the date of the earlier rejection.

(e) An approved work sharing plan may be modified, if the modification meets the requirements for approval under subsection (c) of this section and is approved by the secretary. An approved modification may not change the expiration date of the plan.

(f) The secretary may revoke approval of a work sharing plan for good cause. Good cause shall include but shall not be limited to failure to comply with the assurances in the plan, unreasonable revision of productivity standards of the affected unit or units, conduct or occurrences tending to defeat the intent and effective operation of the plan and violation of any criteria on which approval of the plan was based.

(g) An affected employee's monetary entitlement to work sharing unemployment insurance benefits shall be determined as follows:

1. The work sharing unemployment insurance benefit amount shall be the product of the affected employee's regular weekly benefit amount as determined under 3(b) of this article multiplied by the percentage of reduction in the employee's normal weekly hours of work for the work sharing employer as contained in the approved work sharing plan.

2. The work sharing benefit amount shall be rounded to the lower dollar amount.

3. An affected employee shall be eligible to receive a maximum of 26 weeks of work sharing unemployment insurance benefits.

4. The total amount of regular benefits payable under 3 of this article, and work sharing benefits payable under this section shall not exceed the total for the benefit year provided in 3 of this article.

5. Dependent's allowances payable under 3 of this article are payable to affected employees of work sharing employers.

6. Affected employees receiving work sharing unemployment insurance benefits shall not be subject to the partial benefit provisions of 3(b)(3) of this article.

7. An individual who does not work during a week for the work sharing employer and who is otherwise eligible for benefits, shall be paid regular unemployment insurance benefits and the week shall not be counted as a week for which work sharing benefits were received.

8. If an employee participating in a work sharing plan works a number of hours which is equal to or less than 90 percent of the normal weekly hours of work but more than the hours worked under the work sharing plan, the employee's work sharing benefit amount shall be reduced by the same percentage that the combined hours are of the normal hours of work, regardless of whether the work was performed for the work sharing employer or another employer.

9. An affected employee receiving work sharing benefits shall not be eligible for any additional benefits, extended benefits or supplemental federal unemployment compensation while the affected employee is filing for work sharing benefits.

(h) An affected employee will be eligible to receive work sharing benefits with respect to a week if the following criteria are met:

1. The affected employee is working for an employer in an affected unit for whom a work sharing plan has been approved by the secretary.

2. The affected employee is entitled to work sharing benefits under subsection (g) of this section.

3. The affected employee is able to work and is available for additional hours of work or full-time work with the work sharing employer.

4. Any otherwise eligible affected employee shall not be denied benefits under 4(c) of this article relating to active search for work from other than the work sharing employer.

5. Any otherwise eligible affected employee shall not be denied benefits under 6(d) of this article relating to refusal to apply for or accept suitable work from other than the work sharing employer.

6. Any otherwise eligible affected employee will be considered unemployed for the purpose of the work sharing unemployment insurance program and will not be subject to the definition of "unemployed" pursuant to 20(l) of this article.

(i) Unless the result would be inconsistent with this section, the provisions of this article which apply to claims for, and payment of regular benefits apply to claims for and payment of work sharing unemployment insurance benefits.

(j) The work sharing unemployment insurance program will not continue after June 30, 1986 unless extended by the Maryland general assembly.

As amended by Ch. 504, L. 1984, effective July 1, 1984; as amended by Ch. 10, L. 1985 (technical changes only).

NEW YORK--UNEMPLOYMENT INSURANCE LAW

TITLE 7A--SHARED WORK PROGRAMS

APPLICATION

Sec. 602.

This title shall apply to a claimant employed by an employer whose application to participate in a demonstration shared work program has been approved by the commissioner. The provisions of subdivision three of section five hundred twenty-seven, subdivision three, five and seven of section five hundred ninety, subdivision three of section five hundred ninety-six and section six hundred one of this article shall not be applicable to such claimant and he shall not be required to be available for work with any other employer. The other provisions of this article shall apply to such claimants and their employers to the extent that they are not inconsistent with the provisions of this title.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

DEFINITIONS

Sec. 603.

For purposes of this title: "Total unemployment" shall mean the total lack of any employment on any day, other than with an employer applying for a shared work program. "Full time hours" shall mean at least thirty-five but not more than forty hours per week, and shall not include overtime as defined in the Fair Labor Standards Act. "Work force" shall mean the total work force, a clearly identifiable unit or units thereof, or a particular shift or shifts.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

ELIGIBILITY CONDITIONS

Sec. 604.

A claimant shall be eligible for benefits under this title if he works less than his normal full time hours in a week for his customary employer, and that employer has reduced or restricted the claimant's weekly hours of work, or has rehired a claimant previously laid off and reduced his weekly hours of work from those previously worked, as the result of a plan by

the employer to stabilize the work force by a program of sharing the work remaining after a reduction in total hours of work and a corresponding reduction in wages, provided the program requires not less than a twenty percent nor more than a sixty percent reduction in hours and wages among the work force. A claimant whose wages are derived from piece work to the extent of more than five percent thereof, or a claimant receiving supplemental unemployment compensation benefits, as defined in section five hundred one (c)(17)(D) of the internal revenue code of nineteen hundred fifty-four, shall not be eligible hereunder.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

QUALIFIED EMPLOYERS; APPLICATION

Sec. 605.

An employer who has at least ten full time employees may apply to participate in a shared work program. The application shall be made according to such forms and procedures as the commissioner may specify and shall include such information as the commissioner may require. In determining whether to approve such application, the commissioner shall take into account the nature and size of the enterprise, its frequency of personnel turnover, its geographical location, or any other factors which may affect the efficacy and utility of demonstration projects to test the merits of shared work programs. The commissioner shall not approve such application unless the employer (1) agrees that for the duration of the program he will not eliminate or diminish health insurance, medical insurance, or any other fringe benefits provided to employees immediately prior to the application; (2) certifies that the collective bargaining agent for the employees, if any, has agreed to participate in the program; (3) certifies that if not for the shared work program to be initiated the employer would reduce or would have reduced its work force to a degree equivalent to the total number of working hours proposed to be reduced or restricted for all included employees; (4) certifies that it will not hire additional part time or full time employees for the affected work force while the program is in operation; and (5) agrees that the duration of the program will not exceed twenty weeks.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

REVOCATION OF APPROVAL

Sec. 606.

For good cause shown, the commissioner may, in his discretion, revoke approval of an employer's application previously granted. Good cause may include, but shall not be limited to, failure to comply with the assurances and certifications required under section six hundred five hereof, failure to supply information requested relative to the operation of a shared work program, unreasonable revision of productivity standards for the work force, or other conduct or occurrences tending to defeat the purposes, intent and effective operation of a shared work program.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

BENEFITS

Sec. 607.

1. Amount. An eligible claimant shall be paid benefits for any week equal to his benefit rate multiplied by the percentage of reduction of his wages resulting from reduced hours of work, but only if such percentage is no less than twenty percent. The weekly benefit amount shall be rounded off to the nearest dollar. A claimant shall not be paid such benefits in excess of twenty weeks during a benefit year.

2. Waiting period. A claimant shall not be entitled to benefits for the first week of unemployment under a shared work program unless he has served a waiting period in his benefit year pursuant to subdivision seven of section five hundred ninety of this article.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

MAXIMUM PAYMENTS

Sec. 608.

In no event shall total benefits paid in any benefit year, either under this title, the other titles of this article, or both, exceed the maximum amount for which a claimant would be eligible under the other titles of this article alone.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

LOCAL DEMONSTRATION PROJECTS

Sec. 609.

The commissioner shall designate selected areas or localities of the state in which demonstration projects of shared work programs may be conducted.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

COMMENCEMENT

Sec. 610.

A shared work program and payment of benefits to claimants thereunder shall begin with the first week following approval of an application by the commissioner or the first week specified by the employer, whichever is later.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

CHARGING OF BENEFITS

Sec. 611.

Benefits paid to a claimant shall be debited to the employer's account of the employer participating in the approved shared work program in an amount expressed in dollars, instead of effective days as provided in paragraph (e) of subdivision one of section five hundred eighty-one of this article.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

REPORTS

Sec. 612.

The commissioner shall prepare an interim report evaluating the operation and utility of the projects and programs provided for herein, to be submitted to the legislature and the governor by the thirtieth day of April, nineteen hundred eighty-seven, and a final report which shall include recommendations concerning possible future continuance of such programs by the thirtieth day of April, nineteen hundred eighty-eight.

As added by Ch. 438, L. 1985, effective January 6, 1986, through December 31, 1988.

OREGON--UNEMPLOYMENT COMPENSATION LAW

SHARED WORK PLANS

Effective beginning July 4, 1982, an employer may participate in a shared work plan, i.e. a voluntary, written plan for reducing unemployment under which a specified group of employees shares the work remaining after their normal weekly hours of work are reduced. An employer wishing to participate in the shared work unemployment benefit program must submit a signed, written shared work plan, which will be approved if it (1) specifies the employees in the affected group, (2) applies to only one affected group, (3) includes a certified statement by the employer that each individual specified in the affected group is an affected employee, (4) includes a certified statement that for the duration of the plan the reduction in the normal weekly hours of work of the employees in the affected group is instead of layoffs that would otherwise result in at least as large a reduction in the total normal weekly hours of work, (5) specifies an expiration date no more than one year from the date the employer submits his plan, (6) specifies the manner in which the employer will treat fringe benefits of the affected group and (7) is approved in writing by the collective bargaining agent for each collective bargaining agreement that covers any employee in the affected group (Ore. 4219,4220).

An employee is eligible for shared work benefits only if he meets all of the regular eligibility requirements of the law, is a member of the affected group in an approved plan and has his normal weekly hours of work reduced at least 20%, but not more than 40%, with a corresponding reduction in wages. Not more than 26 weeks of shared work benefits may be paid to an individual under an approved plan and the total amount of regular benefits and shared work benefits paid to him in a benefit year may not exceed maximum total benefits allowed under the regular provisions of the law--see 1935. An individual's shared weekly benefit amount will be equal to his regular weekly benefit amount multiplied by the nearest full percentage of reduction of his regular weekly hours of work (Ore. 4221--4223).

1985 amendments removed the sunset date of June 30, 1985, for the shared work program, making it permanent.

Note that contributions will be required from employers participating in shared work plans--see 1120.

TEXAS--UNEMPLOYMENT COMPENSATION ACT

SHARED WORK UNEMPLOYMENT COMPENSATION PROGRAM

Sec. 31.

(a) In this section:

1. "Affected unit" means a specified department, shift, or other unit of two or more employees that is designated by an employer to participate in a shared work plan.

2. "Commission" means the Texas Employment Commission.

3. "Fringe benefit" means health insurance, a retirement benefit received under a pension plan, a paid vacation day, a paid holiday, sick leave, and any other analogous employee benefit that is provided by an employer.

4. "Normal weekly hours of work" means the number of hours in a week that an employee ordinarily works for a participating employer or 40 hours, whichever is less.

5. "Participating employee" means an employee who works a reduced number of hours under a shared work plan.

6. "Participating employer" means an employer who has a shared work plan in effect.

7. "Shared work benefit" means an unemployment compensation benefit that is payable to an individual in an affected unit because the individual works reduced hours under an approved shared work plan.

8. "Shared work plan" means a program for reducing unemployment under which employee who are members of an affected unit share the work remaining after a reduction in their normal weekly hours of work.

9. "Shared work unemployment compensation program" means a program designed to reduce unemployment and stabilize the work force by allowing certain employees to collect unemployment compensation benefits if the employees share the work remaining after a reduction in the total number of hours of work and a corresponding reduction in wages.

(b) The commission shall establish a voluntary shared work unemployment compensation program as provided by this section. The commission may adopt rules and establish procedures necessary to administer the program.

(c) An employer who wishes to participate in the shared work unemployment compensation program must submit a written shared work plan to the commission for the commission's approval. As a condition for approval, a participating employer must agree to furnish the commission with reports relating to the operation of the plan as requested by the commission. The employer shall monitor and evaluate the operation of the established shared work plan as requested by the commission and shall report the findings to the commission.

(d) The commission may approve a shared work plan if:

1. the plan applies to and identifies a specific affected unit;

2. the employees in the affected unit are identified by name and social security number;

3. the plan reduces the normal weekly hours of work for an employee in the affected unit by not less than 10 percent and not more than 40 percent;

4. the plan applies to at least 10 percent of the employees in the affected unit;

5. the plan describes the manner in which the participating employer treats the fringe benefits of each employee in the affected unit; and

6. the employer certifies that the implementation of a shared work plan and the resulting reduction in work hours is in lieu of temporary layoffs that would affect at least 10 percent of the employees in the affected unit and that would result in an equivalent reduction in work hours.

(e) If any of the employees who participate in a shared work plan under this section are covered by a collective bargaining agreement, the plan must be approved in writing by the collective bargaining agent.

(f) A shared work plan may not be implemented to subsidize seasonal employers during the off-season or to subsidize employers who have traditionally used part-time employees.

(g) The commission shall approve or deny a shared work plan not later than the 30th day after the day the plan is received by the commission. The commission shall approve or deny a plan in writing. If the commission denies a plan, the commission shall notify the employer of the reasons for the denial.

(h) A shared work plan is effective on the date it is approved by the commission. The plan expires on the last day of the 12th full calendar month after the effective date of the plan.

(i) An employer may modify a shared work plan created under this section to meet changed conditions if the modification conforms to the basic provisions of the plan as approved by the commission. The employer must report the changes made to the plan in writing to the commission before implementing the changes. If the original plan is substantially modified, the commission shall reevaluate the plan and may approve the modified plan if it meets the requirements for approval under Subsection (d) of this section. The approval of a modified plan does not affect the expiration date originally set for that plan. If substantial modifications cause the plan to fail to meet the requirements for approval, the commission shall deny approval to the modifications as provided by Subsection (g) of this section.

(j) Notwithstanding any other provisions of this Act, an individual is unemployed for the purposes of this Act and is eligible for shared work benefits in any week in which the individual, as an employee in an affected unit, works for less than the individual's normal weekly hours of work in accordance with an approved shared work plan in effect for that week. The commission may not deny shared work benefits for any week to an otherwise eligible individual by reason of the application of any provision of this Act that relates to availability for work, active search for work, or refusal to apply for or accept work with an employer other than the participating employer.

(k) An individual is eligible to receive shared work benefits with respect to any week in which the commission finds that:

1. the individual is employed as a member of an affected unit subject to a shared work plan that was approved before the week in question and is in effect for that week;

2. the individual is able to work and is available for additional hours of work or full-time work with the participating employer; and

3. the individual's normal weekly hours of work have been reduced by at least 10 percent but not more than 40 percent, with a corresponding reduction in wages.

(l) The commission shall pay an individual who is eligible for shared work benefits under this section a weekly shared work benefit amount equal to the individual's regular weekly benefit amount for a period of total unemployment multiplied by the nearest full percentage of reduction of the individual's wages as set forth in the employer's shared work plan. If the shared benefit amount is not a multiple of one dollar, the commission shall round the amount to the next highest multiple of one dollar.

(m) The commission may not pay an individual shared work benefits for any week in which the individual performs paid work for the participating employer in excess of the reduced hours established under the shared work plan.

(n) An individual may not receive shared work benefits and regular unemployment compensation benefits in an amount that exceeds the maximum total amount of benefits payable to that individual in a benefit year as provided by Section 3(d) of this Act. An individual who receives shared work benefits under this section is not entitled to receive benefits for partial unemployment under Section 3(c) of this Act for any week in which the individual works as a participating employee under a shared work plan.

(o) An individual who has received all of the shared work benefits and regular unemployment compensation benefits available in a benefit year is an exhaustee under Section 6-A(a)(8) of this Act, and is entitled to receive extended benefits under Section 6-A of this Act if the individual is otherwise eligible under that section.

(p) The commission may terminate a shared work plan for good cause if the commission determines that the plan is not being executed according to the terms and intent of the program.

Source: H. 71, L. 1985, effective September 1, 1985.

VERMONT--UNEMPLOYMENT COMPENSATION LAW

SUBCHAPTER 3. SHORT-TIME COMPENSATION PROGRAM

DEFINITIONS

1451.

(a) For the purpose of this subchapter:

1. "Affected unit" means a specified plan, department, shift, or other definable unit consisting of not less than five employees to which an approved short-time compensation plan applies.

2. "Short-time compensation" or "STC" means the unemployment benefits payable to employees in an affected unit under an approved short-time compensation plan as distinguished from the unemployment benefits otherwise payable under the conventional unemployment compensation provisions of this chapter.

3. "Short-time compensation plan" means a plan of an employer under which there is a reduction in the number of hours worked by employees of an affected unit rather than temporary layoffs. The term "temporary layoffs" for this purpose means the total separation of one or more workers in the affected unit for an indefinite period expected to last for more than two months but not more than six months.

4. "Short-time compensation employer" means an employer who has one or more employees covered by an approved "Short-Time Compensation Plan." Both employers with experience rating records and employers who make payments in lieu of tax contributions to the UI Trust Fund may become short-time compensation employers.

5. "Usual weekly hours of work" means the normal hours of work for full-time and regular part-time employees in the affected unit when that unit is operating on its normally full-time basis not less than thirty hours and not to exceed forty hours and not including overtime.

6. "Unemployment compensation" means the unemployment benefits payable under this chapter other than short-time compensation and includes any amounts payable pursuant to an agreement under any federal law providing for compensation, assistance, or allowances with respect to unemployment.

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

CRITERIA FOR APPROVAL

1452.

(a) An employer wishing to participate in an STC program shall submit a signed written short-time compensation plan to the commissioner for approval. The commissioner may approve an STC plan only if the following criteria are met:

1. the plan identifies the specified affected units to which it applies;

2. the employees in the affected unit or units are identified by name, social security number and by any other information required by the commissioner;

3. the plan specifies any impact on fringe benefits, including health insurance, of employees participating in the plan;

4. the usual total weekly hours of work for employees in the affected unit or units are reduced by not less than twenty percent and not more than fifty percent;

5. the plan certifies that the aggregate reduction in work hours is in lieu of temporary total layoffs of one or more workers which would have resulted in an equivalent reduction in work hours and which the commissioner finds would have caused an equivalent dollar amount to be payable in unemployment compensation;

6. the plan applies to at least 10 percent of the employees in the affected unit, and when applicable applies to all affected employees of the unit equally;

7. the plan will not subsidize seasonal employers during the off-season, nor subsidize employers who have traditionally used part-time employees or intermittent employment;

8. the employer agrees to furnish reports relating to the proper conduct of the plan and agrees to allow the commissioner or his authorized representatives access to all records necessary to verify the plan prior to approval and, after approval, to monitor and evaluate application of the plan;

9. the plan certifies that the collective bargaining agent or agents for the employees, if any, have agreed to participate in the program. If there is no bargaining unit, the employer specifies how he or she will notify the employees in the affected group and work with them to implement the program once the plan is approved; and

10. in addition to subsections 1 through 9, the commissioner shall take into account any other factors which may be pertinent to proper implementation of the plan.

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

APPROVAL OR REJECTION; RESUBMISSION

1453.

The commissioner shall approve or reject a plan in writing within 15 days of its receipt, and in the case of rejection shall state the reasons therefor. The reasons for rejection shall be final and nonappealable, but the employer shall be allowed to submit another plan for approval.

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

EFFECTIVE DATE; DURATION

1454.

A plan shall be effective on the date specified in the plan or on a date mutually agreed upon by the employer and the commissioner. It shall expire at the end of the sixth full calendar month after its effective date or on the date specified in the plan if such date is earlier; provided, that the plan is not previously revoked by the commissioner; or on the effective date of any transfer of ownership of the legal business entity. If a plan is revoked by the commissioner, it shall terminate on the date specified in the commissioner's written order of revocation.

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

REVOCATION

1455.

(a) The commissioner may revoke approval of a plan for good cause. The revocation order shall be in writing and shall specify the date the revocation is effective and the reasons therefor.

(b) Good cause shall include, but not be limited to, violation of any criteria on which approval of the plan was based.

(c) Such action may be taken at any time by the commissioner on his or her own motion. The commissioner shall review the operation of each qualified employer plan at least once during the first three months that the plan is in effect to assure its compliance with the requirements of this subchapter. In addition, the commissioner shall investigate any written complaint about the operation of the approved plan and determine in writing whether or not good cause exists for revocation. Such determination to investigate is not appealable.

(d) An employer may appeal a revocation decision by the commissioner and such appeal shall be treated as a "contested case" under the Administrative Procedure Act.

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

MODIFICATION

1456.

An approved STC plan may be modified by the employer with the approval of the commissioner. If the hours of work are increased or decreased substantially beyond the level in the original plan, or any other conditions are changed substantially, the commissioner shall approve or disapprove such modifications. The expiration of the original plan shall not change. If the substantial modifications do not meet the requirements for approval, the commissioner shall disallow that portion of the plan in writing as specified in section 1455(a).

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

ELIGIBILITY

1457.

(a) An individual is eligible to receive STC benefits with respect to any week only if, in addition to eligibility for monetary entitlement, the commissioner finds that:

1. the individual is employed during that week as a member of an affected unit under an approved short-time compensation plan which was in effect for that week;

2. the individual is able to work and is available for the normal work week with the short-time employer;

3. notwithstanding any other provisions of this chapter to the contrary, an individual is deemed unemployed in any week for which remuneration is payable to him or her as an employee in an affected unit for less than his or her normal weekly hours of work as specified under the approved short-time compensation plan in effect for the week;

4. notwithstanding any other provisions of this chapter to the contrary, an individual shall not be denied STC benefits for any week by reason of the application of provisions relating to availability for work and active search for work with an employer other than the short-time employer.

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

SHORT-TIME COMPENSATION BENEFITS

1458.

(a) The short-time weekly benefit amount shall be the product of the regular weekly unemployment compensation amount multiplied by the percentage of reduction in the individual's usual weekly hours of work.

(b) No individual, including a claimant for STC, is eligible in any benefit year for more than the maximum unemployment compensation entitlement payable in accordance with section 1340.

(c) The STC benefits paid an individual shall be deducted from the maximum unemployment compensation entitlement amount established in accordance with section 1340 for that individual's benefit year.

(d) Claims for STC benefits shall be filed in the same manner as claims for unemployment compensation or as prescribed by the commissioner.

(e) Provisions of this subchapter and Vermont employment security board rules applicable to unemployment compensation claimants shall apply to STC claimants to the extent that they are not inconsistent with this subchapter. An individual who files a new initial claim for STC benefits shall be provided, if eligible therefor, a monetary determination of entitlement to STC benefits and shall serve a waiting week.

(f) 1. If an individual works in the same week for both the short-time employer and another employer and his or her combined hours of work for both employers are equal to or greater than 81 percent of the usual hours of work with the short-time employer, he or she shall not be entitled to benefits under these short-time provisions or the unemployment compensation provisions.

2. If an individual works in the same week for both the short-time employer and another employer and his or her combined hours of work for both employers are equal to or less than 80 percent of the usual hours of work for the short-time employer, the benefit amount payable for that week shall be the weekly unemployment compensation amount reduced by the same percentage that the combined hours are of the usual hours of work. A week for which benefits are paid under this provision shall count as a week of short-time compensation.

3. An individual who does not work during a week for the short-time employer, and is otherwise eligible, shall be paid his or her full weekly unemployment compensation benefit amount. Such a week shall not be counted as a week for which short-time compensation benefits were received.

4. An individual who does not work for the short-time employer during a week but works for another employer and is otherwise eligible, shall be paid benefits for that week under the partial unemployment compensation provisions of the regular UI program. Such a week shall not be counted as a week with respect to which STC benefits were received.

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

CHARGING BENEFITS

1459.

STC benefits paid to an employee shall be charged to his or her STC employer's experience-rating records.

Reimbursable employers participating in the STC program shall be assessed for the STC benefits paid their employees.

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

EXTENDED BENEFITS PROGRAM ELIGIBILITY

1460.

An individual who has received all of the unemployment compensation or combined unemployment compensation and STC benefits available in a benefit year shall be considered an "exhaustee" as defined under the provisions, section 1421(a)(8).

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

MISREPRESENTATION; PENALTIES

1461.

If an approved plan or any representation for implementation of the plan is intentionally and substantially misleading or false, the employer shall be liable for any amount of benefits deemed by the commissioner to have been improperly paid from the fund as a result thereof.

As added by Act 140, L. 1986, effective July 1, 1986, through June 30, 1988.

WASHINGTON--EMPLOYMENT SECURITY ACT

CHAPTER 50.60--SHARED WORK COMPENSATION PLANS BENEFITS

LEGISLATIVE INTENT

Sec. 50.60.010.

In order to provide an economic climate conducive to the retention of skilled workers in industries adversely affected by general economic downturns and to supplement depressed buying power of employees affected by such downturns, the legislature finds that the public interest would be served by the enactment of laws providing greater flexibility in the payment of unemployment compensation benefits in situations where qualified employers elect to retain employees at reduced hours rather than instituting layoffs.

As added by Ch. 207. L. 1983, effective with weeks beginning after July 31, 1983.

DEFINITIONS

Sec. 50.60.020.

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

1. "Affected unit" means a specified plant, department, shift, or other definable unit consisting of one or more employees, to which an approved shared work compensation plan applies.

2. "Fringe benefits" include health insurance, retirement benefits under benefit pension plans as defined in section 3(35) of the employee retirement income security act of 1974, paid vacation and holidays, and sick leave, which are incidents of employment in addition to cash renumeration.

3. "Shared work benefits" means the benefits payable to employees in an affected unit under an approved shared work compensation plan as distinguished from the benefits otherwise payable under this title.

4. "Shared work compensation plan" means a plan of an employer, or of an employers' association, under which there is a reduction in the number of hours worked by employees rather than temporary layoffs.

5. "Shared work employer" means an employer, one or more of whose employees are covered by a shared work compensation plan.

6. "Usual weekly hours of work" means the normal number of hours of work for full-time employees in the affected unit when that unit is operating on a full-time basis, not to exceed forty hours and not including overtime.

7. "Unemployment compensation" means the benefits payable under this title other than shared work benefits and includes any amounts payable, pursuant to an agreement under federal law providing for compensation, assistance, or allowances with respect to unemployment.

8. "Employers' association" means an association which is a party to a collective bargaining agreement under which there is a shared work compensation plan.

As added by Ch. 207, L. 1983, effective for weeks beginning after July 31, 1983.

SHARED WORK COMPENSATION PLANS--CRITERIA FOR APPROVAL

Sec. 50.60.030.

An employer or employers' association wishing to participate in a shared work compensation program shall submit a written and signed shared work compensation plan to the commissioner for approval. The commissioner shall approve a shared work compensation plan only if the following criteria are met:

1. The plan identifies the affected units to which it applies;

2. An employee in an affected unit are [sic] identified by name, social security number, and by any other information required by the commissioner;

3. The usual weekly hours of work for an employee in an affected unit are reduced by not less than ten percent and not more than fifty percent;

4. Fringe benefits will continue to be provided on the same basis as before the reduction in work hours. In no event shall the level of health benefits be reduced due to a reduction in hours;

5. The plan certifies that the aggregate reduction in work hours is in lieu of temporary layoffs which would have affected at least ten percent of the employees in the affected units to which the plan applies and which would have resulted in an equivalent reduction in work hours;

6. The plan applies to at least ten percent of the employees in the affected unit;

7. The plan is approved in writing by the collective bargaining agent for each collective bargaining agreement covering any employee in the affected unit;

8. The plan will not subsidize seasonal employers during the off season nor subsidize employers who have traditionally used part-time employees; and

9. The employer agrees to furnish reports necessary for the proper administration of the plan and to permit access by the commissioner to all records necessary to verify the plan before approval and after approval to evaluate the application of the plan.

In addition to subsections (1) through (9) of this section, the commissioner shall take into account any other factors which may be pertinent.

As added by Ch. 207, L. 1983; as amended by Ch. 43, L. 1985.

Ch. 43, L. 1985, effective April 15, 1985, made the following changes in Sec. 50.60.030:

Deleted former subsection (6), which read as follows:

"(6) During the previous four months the work force in the affected unit has not been reduced by temporary layoffs of workers of more than ten percent;"

Redesignated subsections (7) through (10) as (6) through (9);

Substituted "(9)" for "(10)" in the last paragraph.

SHARED WORK COMPENSATION PLANS--APPROVAL OR REJECTION--RESUBMISSION

Sec. 50.60.040.

The Commissioner shall approve or reject a shared work compensation plan in writing within fifteen days of its

receipt. The reasons for the rejection shall be final and nonappealable, but the rejection shall not prevent an employer from submitting another plan for approval not earlier than fifteen days after the date of a previous written rejection.

As added by Ch. 207. L. 1983, effective for weeks beginning after July 31, 1983.

APPROVED SHARED WORK COMPENSATION PLANS--MISREPRESENTATION--PENALTIES

Sec. 50.60.050.

If an approved plan or any representation for implementation of the plan is intentionally and substantially misleading or false, any individual who participated in any such misrepresentation shall be subject to criminal prosecution as well as personal liability for any amount of benefits deemed by the commissioner to have been improperly paid from the fund as a result thereof. This provision for personal liability is in addition to any remedy against individual claimants for collection of overpayment of benefits if such claimants participated in or were otherwise at fault in the overpayment.

As added by Ch. 207. L. 1983, effective for weeks beginning after July 31, 1983.

APPROVED SHARED WORK COMPENSATION PLANS--EFFECTIVE DATE--EXPIRATION

Sec. 50.60.060.

A shared work compensation plan shall be effective on the date specified in the plan or on the first day of the second calendar week after the date of the commissioner's approval, whichever is later. The plan shall expire at the end of the twelfth full calendar month after its effective date, or on the date specified in the plan if that date is earlier, unless the plan is revoked before that date by the commissioner. If a plan is revoked by the commission, it shall terminate on the date specified in the commissioner's order of revocation.

As added by Ch. 207, L. 1983, effective for weeks beginning after July 31, 1983.

APPROVED SHARED WORK COMPENSATION PLANS--REVOCATION--REVIEW OF PLANS

Sec. 50.60.070.

The commissioner may revoke approval of a shared work compensation plan for good cause. The revocation order shall be in writing and shall specify the date the revocation is effective and the reasons for the revocation. Good cause for revocation shall include failure to comply with the assurances given in the plan, unreasonable revision of productivity standards for the affected unit, conduct or occurrences tending to defeat the intent and effective operation of the plan, and violation of the criteria on which approval of the plan was based.

Such action may be initiated at any time by the commissioner on his or her own motion, on the motion of any of the affected unit employees, or on the motion of the appropriate collective bargaining agents. The commissioner shall review each plan at least once within the twelve-month period the plan is in effect to assure that it continues to meet the requirements of this chapter.

As added by Ch. 207, L. 1983, effective for weeks beginning after July 31, 1983.

APPROVED SHARED WORK COMPENSATION PLANS--MODIFICATION

Sec. 50.60.080.

An approved shared work compensation plan in effect may be modified with the approval of the commissioner. If the hours of work are increased or decreased beyond the level in the original plan, or any other condition is changed, the employer shall promptly notify the commissioner. If the changes meet the requirements for approval of a plan, the commissioner shall approve the modifications. This approval shall not change the expiration date of the original plan. If the modifications do not meet the requirements for approval, the commissioner shall revoke the plan as specified in section 6 of this act.

As added by Ch. 207, L. 1983, effective for weeks beginning after July 31, 1983.

SHARED WORK BENEFITS--ELIGIBILITY

Sec. 50.60.090.

An individual is eligible to receive shared work benefits with respect to any week only if, in addition to meeting the conditions of eligibility for other benefits under this title, the commissioner finds that:

1. The individual was employed during that week as a member of an affected unit under an approved shared work compensation plan which was in effect for that week;

2. The individual was able to work and was available for additional hours of work and for full-time work with the shared work employer; and

3. Notwithstanding any other provision of this chapter, an individual is deemed to have been unemployed in any week for which remuneration is payable to him or her as an employee in an affected unit for less than his or her normal weekly hours of work as specified under the approved shared work compensation plan in effect for that week.

As added by Ch. 207, L. 1983, effective with weeks beginning after July 31, 1983.

SHARED WORK BENEFITS--WEEKLY AMOUNT--MAXIMUM ENTITLEMENT--CLAIMS--CONDITIONS OF ENTITLEMENT

Sec. 50.60.100.

1. The shared work weekly benefit amount shall be the product of the regular weekly unemployment compensation benefit amount multiplied by the percentage of reduction in the individual's usual weekly hours of work;

2. No individual is eligible in any benefit year for more than the maximum entitlement established for benefits under this title, including benefits under this chapter, nor may an individual be paid shared work benefits for more than a total of twenty-six weeks in any twelve-month period under a shared work compensation plan;

3. The shared work benefits paid an individual shall be deducted from the the total benefit amount established for that individual's benefit year;

4. Claims for shared work benefits shall be filed in the same manner as claims for other benefits under this title or as prescribed by the commissioner by rule;

5. Provisions otherwise applicable to unemployment compensation claimants under this title apply to shared work claimants to the extent that they are not inconsistent with this chapter;

6. (a)If an individual works in the same week for an employer other than the shared work employer and his or her combined hours of work for both employers are equal to or greater than the usual weekly hours of work with the shared work employer, the individual shall not be entitled to benefits under this chapter or title;

   (b)If an individual works in the same week for both the shared work employer and another employer and his or her combined hours of work both employers are less than his or her usual weekly hours of work, the benefit amount payable for that week shall be the weekly unemployment compensation benefit amount reduced by the same percentage that the combined hours are of the usual weekly hours of work. A week for which benefits are paid under this subsection shall count as a week of shared work benefits;

7. An individual who does not work during a week for the shared work employer, and is otherwise eligible, shall be paid his or her full weekly unemployment compensation benefit amount. Such a week shall not be counted as a week for which shared work benefits were received;

8. An individual who does not work for the shared work employer during a week but works for another employer, and is otherwise eligible, shall be paid benefits for that week under the partial unemployment compensation provisions of this title. Such a week shall not be counted as a week for which shared work benefits were received.

As added by Ch. 207, L. 1983, effective with weeks beginning after July 31, 1983.

SHARED WORK BENEFITS--CHARGE TO EMPLOYERS' EXPERIENCE RATING ACCOUNTS

Sec. 50.60.110.

Shared work benefits shall be charged to employers' experience rating accounts in the same manner as other benefits under this title are charged. Employers liable for payments in lieu of contributions shall have shared work benefits attributed to their accounts in the same manner as other benefits under this title are attributed.

As added by Ch. 207, L. 1983, effective with weeks beginning after July 31, 1983.

SHARED WORK BENEFITS--EXHAUSTEE

Sec. 50.60.120.

An individual who has received all of the shared work benefits, or all the combined unemployment compensation and shared work benefits, available in a benefit year shall be considered an exhaustee for purposes of the extended benefits program under chapter 50.22 RCW, and, if otherwise eligible under that chapter, shall be eligible to receive extended benefits.

As added by Ch. 207, L. 1983, effective with weeks beginning after July 31, 1983.

TITLE AND RULES TO APPLY TO SHARED WORK BENEFITS--CONFLICT WITH FEDERAL REQUIREMENTS

Sec. 50.60.900.

Unless inconsistent with or otherwise provided by this section, this title and rules adopted under this title apply to shared work benefits. To the extent permitted by federal law, those rules may make such distinctions and requirements as may be necessary with respect to unemployed individuals to carry out the purposes of this chapter, including rules defining usual hours, days, work week, wages, and the duration of plans adopted under this chapter. To the extent that any portion of this chapter may be inconsistent with the requirements of federal law relating to the payment of unemployment insurance benefits, the conflicting provisions or interpretations of this chapter shall be deemed inoperative, but only to the extent of the conflict. If the commissioner determines that such

a conflict exists, a statement to that effect shall be filed with the governor's office for transmission to both houses of the legislature.

As added by Ch. 207, L. 1983, effective with weeks beginning after July 31, 1983.

RULES--REPORT TO LEGISLATURE--1983 CH. 207

Sec. 50.60.901.

The department shall adopt such rules as are necessary to carry out the purposes of this act. The department shall make a report to the legislature by January 1, 1984 which describes the implementation of this act.

As added by Ch. 207, L. 1983, effective with weeks beginning after July 31, 1983.

EFFECTIVE DATE--1983 CH. 207

Sec. 50.60.902.

This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect with the weeks beginning after July 31, 1983.

Source: Ch. 207, L. 1983.

PART IV: STC REPORTING INSTRUCTIONS
SELECTED WORKSHARING STATISTICS

STC Reporting Instructions

EMPLOYMENT SECURITY MANUAL MTL-1453

Part III Reports and Analysis 2680-2682
2600-2799 Claims and Payment Activities, Form ETA 5159 8/86

2680-2689 Reporting Activities Under Short-Time Compensation

2680 Special Reporting Requirements. When there is a Short-Time Compensation (STC) program, also known as worksharing, in a State, a separate report should be submitted for claims and payment activity associated with the STC program. Do not report STC activity on the regular ETA 5159 report. Label this separate report "STC" to designate the Short-Time Compensation Program. If no activity occurs in a report period, enter the words, "NO ACTIVITY" on the form. Due dates and submittal instructions are the same as for the regular report. Unless otherwise noted, definitions are the same as for the regular report.

2682 Items to be Reported. Include in each STC report the following items:

A. Line 101, item 2--State UI new intrastate, initials excluding transitionals. Each new intrastate initial claim by an STC claimant is counted.

B. Line 101, item 3--State UI additional intrastate initial claims. Each additional claim by an STC claimant is counted.

C. Line 201, item 9--State UI intrastate, continued weeks claimed. Each STC week claimed by an STC claimant is to be counted.

D. Line 301, item 14--Number, State UI all weeks compensated. Each STC week compensated is to be counted.

E. Line 302, item 14--Amount, State UI all weeks compensated.

F. Line 303, item 21--State UI intrastate first payments.

G. Line 303, item 25--State UI final payments.

H. Comments Section--Number of equivalent full weeks claimed. Compute by using the proportion of the week being claimed. As an example, it two worksharing claimants each claimed 1/5th of a week and another claimed 2/5ths of a week, the equivalent full weeks for the three would be 4/5ths or .8 weeks. Round the final accumulated number to whole weeks.

I. Comments Section--Number of equivalent full-time initial claims computed based on the employers' agreement with the State as to the proportion of hours the worksharing claimant is being reduced. As an example, if the agreement is for a 20 percent or one day reduction in each worksharing claimant's hours, then each claimant's initial claims would represent 20 percent of an equivalent full-time layoff initial claim. Round the final accumulated number to whole initial claims. Should a workshare claimant become a regular claimant with no break in the claims series with intervening full-time employment, that is he would not be an additional initial, then the residual of the initial claim would become reportable on the regular program report in the comments section. In the example above, if the workshare individual who was counted as 20 percent of an initial for economic measures becomes fully unemployed, then the residual amount, or 80 percent of an initial should be shown in the comments section of the regular report and identified as crossovers from workshare to regular. Round the final accumulated number to whole initial claims.

Selected Worksharing Statistics

WORKSHARING DATA FOR: ARKANSAS, 1985

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Sep	0	INA	865	865	30,235	4	INA	0	173
Oct	80	INA	1,121	1,034	36,082	75	0	16	207
Nov	0	INA	1,436	1,417	49,472	6	0	0	285
Dec	0	INA	532	529	18,496	0	0	0	106
TOTAL	80	INA	3,954	3,845	134,285	85	INA	16	771

WORKSHARING DATA FOR: ARKANSAS, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	0	INA	839	835	36,774	0	0	0	167
Feb	0	INA	630	629	21,982	0	0	0	125
Mar	0	INA	1	1	37	0	0	0	0
Apr	166	INA	125	125	4,568	76	0	33	24
May	1	INA	263	227	7,561	30	0	0	45
Jun	0	INA	210	184	6,465	11	0	0	35
Jul	0	INA	0	0	0	0	0	0	0
Aug	238	INA	432	256	7,887	111	0	47	51
Sep	44	0	824	689	20,135	148	0	9	159
Oct	0	1	1	1	27	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0
Dec	0	0	15	12	692	1	0	0	4
TOTAL	449	INA	3,340	2,959	106,128	377	0	89	610

WORKSHARING DATA FOR: ARIZONA, 1982

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	1,271	0	0	0	0	0	0	258	0
Feb	5,643	0	3,457	3,020	58,259	598	0	962	754
Mar	2,400	0	10,703	6,389	156,966	1,792	0	509	2,576
Apr	930	0	8,644	6,849	146,011	1,312	0	195	1,901
May	644	0	8,810	7,960	175,649	1,645	0	119	1,673
Jun	529	0	7,524	6,670	159,843	857	0	102	1,580
Jul	882	0	4,923	4,588	112,815	371	0	147	1,033
Aug	1,440	0	6,622	5,951	161,149	705	0	249	1,456
Sep	2,249	0	10,302	8,738	227,360	1,627	0	428	2,369
Oct	1,452	0	16,086	14,579	405,357	1,552	0	286	3,860
Nov	1,400	0	16,001	14,774	358,220	1,134	0	252	3,299
Dec	665	0	15,896	14,567	403,434	1,098	2	136	3,815
TOTAL	19,505	0	108,968	94,085	2,365,063	12,691	1	3,643	24,312

WORKSHARING DATA FOR: ARIZONA, 1983

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	1,046	138	14,058	13,441	406,161	535	2	282	3,796
Feb	1,777	66	8,658	7,314	192,725	706	0	409	1,991
Mar	773	49	12,000	10,689	271,328	1,057	2	178	2,760
Apr	556	59	7,656	7,215	178,047	465	0	122	1,684
May	231	27	6,867	6,345	163,021	408	0	53	1,579
Jun	284	104	4,401	4,045	101,713	289	0	62	968
Jul	47	3	2,876	2,723	70,135	127	0	12	680
Aug	70	17	1,681	1,618	45,094	59	0	22	423
Sep	141	219	1,062	1,021	26,911	37	0	87	258
Oct	318	41	2,077	1,804	41,339	181	0	77	448
Nov	209	17	1,190	1,033	24,575	114	0	50	262
Dec	389	8	1,344	1,072	29,346	256	0	99	335
TOTAL	5,841	748	63,870	58,320	1,550,395	4,234	4	1,453	15,184

WORKSHARING DATA FOR: ARIZONA, 1984

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	399	28	1,600	1,344	36,678	174	0	106	396
Feb	836	133	1,723	1,423	36,563	284	1	225	400
Mar	33	4	4,552	3,910	122,847	556	0	11	1,302
Apr	61	17	2,086	2,016	58,967	83	0	21	558
May	30	4	751	726	19,040	31	0	8	186
Jun	76	10	325	299	7,080	8	0	20	75
Jul	129	5	366	298	7,598	68	0	32	87
Aug	132	6	920	791	21,044	121	0	35	234
Sep	105	8	451	412	9,920	26	0	25	99
Oct	99	16	381	326	7,931	37	0	27	88
Nov	170	175	1,036	837	20,052	184	0	75	226
Dec	15	1	519	480	13,204	28	0	4	131
TOTAL	2,085	407	14,710	12,862	360,924	1,600	1	589	3,782

WORKSHARING DATA FOR: ARIZONA, 1985

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	132	11	365	335	10,464	45	0	41	104
Feb	538	93	794	523	14,135	189	0	155	195
Mar	400	21	1,471	1,193	29,232	299	0	97	338
Apr	4,718	41	2,292	1,831	44,504	406	0	1,065	513
May	2,269	85	8,698	4,792	127,291	1,732	0	588	2,173
Jun	3,878	887	11,496	7,886	215,969	2,470	0	1,206	2,910
Jul	4,151	112	14,187	10,625	260,943	2,862	0	952	3,167
Aug	2,056	681	15,969	13,326	324,937	2,399	0	614	3,580
Sep	483	2,048	18,781	16,298	396,690	3,017	0	550	4,081
Oct	563	353	9,318	8,358	201,462	960	0	200	2,031
Nov	420	72	4,793	4,385	108,787	393	0	106	1,031
Dec	907	363	4,312	3,890	102,465	308	0	291	988
TOTAL	20,515	4,767	92,476	73,442	1,836,879	15,080	0	5,865	21,111

WORKSHARING DATA FOR: ARIZONA, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	192	4,453	8,764	8,006	279,569	536	0	1,412	2,664
Feb	131	784	4,072	3,770	100,383	190	0	215	957
Mar	94	128	2,143	2,024	52,820	100	0	50	479
Apr	28	41	1,556	1,478	43,202	60	0	18	416
May	239	15	1,704	1,655	57,763	38	0	75	502
Jun	92	11	1,378	1,149	34,615	174	0	28	375
Jul	79	37	1,336	1,236	40,164	64	0	34	387
Aug	359	13	1,363	1,150	34,155	83	0	98	359
Sep	333	14	1,295	922	26,529	97	0	80	298
Oct	1,040	32	1,526	1,131	29,543	78	0	236	336
Nov	503	92	1,881	1,185	32,340	278	0	136	429
Dec	8,555	150	3,316	2,798	56,721	469	1	1,408	536
TOTAL	11,645	5,770	30,334	26,504	787,804	2,167	1	3,790	7,738

WORKSHARING DATA FOR: CALIFORNIA, 1982

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	6,607	0	27,694	24,795	1,490,808	6,607	0	1,227	INA
Feb	INA	0	28,327	25,029	761,090	INA	INA	INA	INA
Mar	7,295	0	50,475	44,688	1,339,720	7,295	0	1,394	INA
Apr	INA	0	45,045	39,967	1,144,338	INA	INA	INA	INA
May	INA	0	52,630	47,358	1,356,054	INA	INA	INA	INA
Jun	INA	0	71,723	65,246	1,850,150	INA	0	INA	17,338
Jul	INA	0	54,264	49,361	1,485,568	INA	0	INA	13,755
Aug	INA	0	58,169	52,923	1,584,241	INA	0	INA	14,804
Sep	INA	0	76,645	72,052	2,060,626	INA	0	INA	18,908
Oct	INA	0	61,813	56,659	1,719,867	INA	0	INA	15,699
Nov	11,855	0	74,064	66,101	2,001,142	7,776	0	INA	13,642
Dec	9,495	0	79,084	68,540	2,196,601	8,701	0	INA	14,804
TOTAL	35,252	0	679,933	612,719	18,567,681	30,379	0	2,621	108,950

WORKSHARING DATA FOR: CALIFORNIA, 1983

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	6,119	0	62,531	56,324	2,309,082	6,991	0	INA	11,660
Feb	5,773	0	56,706	50,325	1,659,777	6,012	0	1,086	10,583
Mar	6,288	0	62,725	57,483	1,899,464	5,046	0	1,198	11,698
Apr	4,349	0	52,942	48,078	1,568,580	5,031	0	841	10,035
May	2,795	0	42,539	39,456	1,280,579	2,741	0	548	8,180
Jun	3,376	0	35,912	32,740	1,021,792	2,601	0	633	7,007
Jul	2,138	0	25,620	23,601	788,395	2,118	0	427	5,002
Aug	2,534	0	23,004	20,740	705,926	1,891	0	487	4,589
Sep	2,388	0	22,927	20,603	686,013	1,851	0	462	4,454
Oct	1,787	0	19,381	17,885	583,048	1,845	0	341	3,827
Nov	1,401	0	16,283	15,149	494,994	1,207	0	257	3,144
Dec	1,939	0	17,157	16,314	540,810	1,383	0	405	3,378
TOTAL	40,887	0	437,727	398,698	13,538,460	38,717	0	6,685	83,557

WORKSHARING DATA FOR: CALIFORNIA, 1984

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	1,632	0	17,569	17,233	680,001	1,757	0	374	3,459
Feb	1,501	0	12,542	12,326	417,673	INA	INA	INA	INA
Mar	1,429	0	14,505	10,358	342,827	1,163	0	273	2,767
Apr	1,960	0	12,043	10,477	347,764	1,429	0	395	2,311
May	1,537	0	13,693	12,550	414,050	1,098	0	307	2,691
Jun	1,778	0	13,589	13,494	428,465	1,522	0	349	2,660
Jul	1,787	0	12,115	12,050	408,159	1,474	0	394	2,339
Aug	1,718	0	13,553	13,488	413,415	1,635	0	316	2,667
Sep	1,108	0	11,039	10,978	350,862	1,115	0	228	2,191
Oct	2,218	0	13,180	13,105	416,818	1,802	0	393	2,568
Nov	1,830	0	13,867	13,792	450,609	1,608	0	306	2,715
Dec	2,465	0	11,149	11,108	380,741	1,611	0	504	2,138
TOTAL	20,963	0	158,844	150,959	5,051,384	16,214	0	3,839	28,506

WORKSHARING DATA FOR: CALIFORNIA, 1985

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	4,212	INA	16,101	16,014	755,839	3,010	0	752	3,191
Feb	3,791	INA	15,658	15,575	556,457	2,853	0	854	3,269
Mar	5,695	INA	21,644	21,545	739,854	3,229	0	1,078	4,252
Apr	7,635	INA	39,949	39,844	1,273,077	6,433	0	1,344	7,561
May	7,896	INA	53,133	53,032	1,648,673	6,468	0	1,392	9,802
Jun	3,799	INA	39,886	39,769	1,229,597	INA	0	664	7,334
Jul	5,602	INA	37,710	37,595	1,337,433	4,258	0	1,114	6,917
Aug	10,731	INA	45,367	45,279	1,337,632	6,372	0	2,177	8,536
Sep	23,395	INA	88,308	88,191	2,892,876	2,116	0	4,585	16,924
Oct	7,863	INA	92,872	92,769	2,984,548	6,301	0	1,737	18,078
Nov	4,407	INA	48,045	47,922	1,542,373	3,203	0	810	9,222
Dec	6,177	INA	54,858	54,754	2,618,630	4,387	0	1,178	10,715
TOTAL	91,203	INA	553,531	552,289	18,916,989	48,630	0	17,685	105,801

WORKSHARING DATA FOR: CALIFORNIA, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	6,306	INA	70,946	70,871	4,389,342	6,683	0	1,515	14,119
Feb	3,731	INA	30,289	30,228	1,342,940	3,420	0	1,040	6,248
Mar	4,409	INA	28,504	28,476	1,023,347	3,125	0	952	5,547
Apr	3,174	INA	24,142	24,098	828,502	2,468	0	626	4,710
May	2,519	INA	22,178	22,156	725,184	1,964	0	478	4,149
Jun	3,007	INA	21,952	21,915	728,286	1,923	0	552	4,134
Jul	2,922	INA	17,847	17,817	611,751	2,178	0	550	3,325
Aug	3,156	INA	21,501	21,352	692,308	2,444	0	602	4,070
Sep	2,250	INA	20,236	20,233	668,114	1,835	0	450	3,742
Oct	2,722	7,100	18,468	18,465	589,899	2,103	0	2,100	3,415
Nov	5,213	8,100	18,862	18,855	650,705	2,624	0	2,600	3,567
Dec	5,300	9,600	26,000	19,918	893,050	3,150	0	2,700	4,940
TOTAL	44,709	24,800	320,925	314,384	13,143,428	33,917	0	14,165	61,966

WORKSHARING DATA FOR: FLORIDA, 1984

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	15	0	0	0	0	0	0	9	0
Feb	0	0	13	1	9	1	0	0	3
Mar	3	0	19	14	268	8	0	1	6
Apr	0	0	38	36	850	5	0	0	13
May	0	0	19	19	316	0	0	0	4
Jun	0	0	14	14	261	0	0	0	4
Jul	0	0	10	10	262	0	0	0	0
Aug	0	0	2	2	54	0	0	0	1
Sep	0	INA	12	12	272	INA	INA	INA	4
Oct	0	0	0	0	0	0	0	0	0
Nov	0	0	6	6	128	0	0	0	2
Dec	0	0	0	0	0	0	0	0	0
TOTAL	18	0	133	114	2,420	14	0	10	37

WORKSHARING DATA FOR: FLORIDA, 1985

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	0	0	0	0	0	0	0	0	0
Feb	557	0	0	0	0	0	0	111	111
Mar	28	0	1,725	1,053	31,863	566	0	6	338
Apr	475	0	691	636	17,355	50	0	104	161
May	204	0	3,032	2,191	51,316	438	0	81	636
Jun	12	0	1,290	1,252	30,441	17	0	5	284
Jul	3	0	816	800	19,546	17	0	7	183
Aug	403	0	783	773	18,383	13	0	80	161
Sep	503	0	530	507	12,671	10	INA	97	111
Oct	403	0	4,944	3,806	108,784	913	1	105	1,088
Nov	3,164	0	1,845	1,708	50,545	87	0	712	428
Dec	2,498	0	4,911	1,885	55,676	136	0	946	1,064
TOTAL	8,250	0	20,567	14,611	396,580	2,247	1	2,254	4,565

WORKSHARING DATA FOR: FLORIDA, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	519	0	13,977	11,002	633,632	5,088	INA	121	4,660
Feb	315	0	1,253	1,150	44,875	90	0	77	397
Mar	312	0	1,077	803	25,778	177	0	63	282
Apr	1,027	0	1,591	1,094	30,419	244	0	206	358
May	75	0	2,261	1,827	50,129	250	0	16	510
Jun	411	0	2,384	2,024	56,465	483	0	83	541
Jul	65	0	2,013	1,678	48,318	159	0	14	475
Aug	171	0	1,776	1,630	43,980	53	0	36	454
Sep	176	0	1,622	1,388	36,517	94	0	36	390
Oct	179	0	2,212	1,909	52,933	219	0	36	515
Nov	32	0	2,325	1,891	56,344	180	0	7	575
Dec	67	0	928	846	18,904	54	0	14	189
TOTAL	3,349	0	33,419	27,242	1,098,294	7,091	0	709	9,346

WORKSHARING DATA FOR: LOUISIANA, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Feb	5	INA	12	17	1,078	4	0	2	5
Mar	6	INA	46	21	1,438	0	0	3	18
Apr	0	INA	2	2	106	0	0	0	1
May	42	INA	0	102	3,728	0	0	10	40
Jun	132	INA	277	238	15,528	24	0	53	86
Jul	77	INA	478	377	21,927	0	0	31	133
Aug	5	INA	501	397	22,974	19	0	1	143
Sep	0	INA	155	178	6,000	21	0	0	33
Oct	143	INA	239	262	9,268	2	0	57	50
Nov	13	INA	506	345	18,246	17	0	4	164
Dec	27	INA	189	127	6,938	24	0	10	58
TOTAL	450	INA	2,405	2,066	107,231	111	0	171	731

WORKSHARING DATA FOR: MARYLAND, 1985

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jun	170	436	2,756	2,445	74,348	32	0	85	666
Jul	383	99	5,982	5,524	275,267	521	0	91	1,442
Aug	87	0	6,960	4,885	168,234	725	0	19	1,449
Sep	243	32	4,860	3,341	112,965	154	0	65	1,067
Oct	619	92	6,857	4,199	157,014	526	0	164	1,652
Nov	147	245	7,567	6,025	232,382	299	0	110	1,700
Dec	684	40	2,712	2,403	89,143	33	0	248	638
TOTAL	2,333	944	37,694	28,822	1,109,353	2,290	0	782	8,614

WORKSHARING DATA FOR: MARYLAND, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	279	78	4,572	3,841	147,070	223	0	115	1,209
Feb	74	149	2,324	2,183	94,151	169	0	80	822
Mar	222	645	2,144	1,807	88,545	279	0	334	774
Apr	167	275	2,411	2,165	88,917	369	0	176	895
May	14	220	2,197	1,744	83,807	284	0	102	868
Jun	56	435	1,834	1,285	54,253	53	0	187	633
Jul	40	541	1,542	1,471	59,240	104	0	195	538
Aug	83	535	785	760	31,335	78	0	166	291
Sep	148	93	847	656	24,566	127	0	62	244
Oct	51	269	902	857	33,893	49	0	90	320
Nov	45	317	1,015	980	41,840	56	0	99	303
Dec	150	272	1,128	975	38,156	31	0	118	320
TOTAL	1,329	3,829	21,701	18,724	785,573	1,822	0	1,724	7,217

WORKSHARING DATA FOR: NEW YORK, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan									
Feb	496	66	INA	INA	INA	INA	INA	INA	INA
Mar	114	36	1,936	972	30,153	220	INA	INA	INA
Apr	98	2	1,276	1,034	29,075	118	INA	INA	INA
May	154	45	868	786	31,823	174	INA	INA	INA
Jun	81	27	1,026	769	29,649	145	INA	INA	INA
Jul	109	38	749	743	24,946	42	INA	INA	INA
Aug	15	8	920	814	26,195	120	INA	INA	INA
Sep	27	145	1,080	975	36,112	161	0	INA	INA
Oct	14	110	1,374	1,066	36,161	61	INA	INA	INA
Nov	6	16	1,131	1,033	36,373	14	INA	INA	INA
Dec	61	32	681	451	17,712	70	INA	INA	INA
TOTAL	108	303	4,266	3,525	126,358	306	0	0	0

WORKSHARING DATA FOR: OREGON, 1982

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	INA	0	INA	INA	INA	INA	INA	INA	INA
Jul	804	0	1,326	446	15,516	374	0	174	287
Aug	1,109	0	5,457	2,293	80,812	401	0	223	1,162
Sep	483	0	6,940	6,617	230,038	1,036	0	112	1,476
Oct	594	0	7,204	4,767	169,646	317	0	136	1,568
Nov	441	0	6,472	5,707	217,047	322	1	106	1,492
Dec	502	0	5,871	4,301	173,038	283	1	119	1,502
TOTAL	3,933	0	33,270	24,131	886,097	2,733	2	870	7,487

WORKSHARING DATA FOR: OREGON, 1983

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	376	0	6,797	4,484	183,310	363	0	90	1,669
Feb	152	0	4,695	3,670	140,270	261	0	36	1,126
Mar	229	0	5,173	3,943	150,440	129	1	55	1,207
Apr	136	0	2,809	2,348	91,467	81	0	33	666
May	154	0	2,522	1,704	66,158	91	0	41	605
Jun	177	0	2,707	2,012	76,890	157	0	44	654
Jul	138	0	2,065	1,473	58,938	99	0	30	542
Aug	88	0	1,774	1,105	46,202	54	0	22	458
Sep	20	0	1,235	911	33,634	26	0	5	288
Oct	32	0	1,276	881	33,516	32	0	8	315
Nov	112	0	978	742	30,086	41	0	34	265
Dec	107	0	655	544	24,039	29	0	24	189
TOTAL	1,721	0	32,686	23,817	934,950	1,363	1	422	7,984

WORKSHARING DATA FOR: OREGON, 1984

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	128	0	1,503	653	29,815	70	0	29	394
Feb	28	0	995	769	29,761	63	0	7	241
Mar	19	0	928	660	26,510	26	1	4	209
Apr	11	0	409	330	14,319	9	0	3	96
May	102	0	558	360	14,734	65	0	20	117
Jun	29	0	609	352	13,767	38	0	6	124
Jul	12	0	425	526	20,485	30	0	3	92
Aug	100	0	407	0	59	14	0	23	87
Sep	14	0	291	170	8,204	19	0	3	77
Oct	70	0	784	472	21,756	63	0	15	188
Nov	45	0	646	403	19,337	23	0	10	160
Dec	52	INA	388	207	12,037	38	0	12	99
TOTAL	610	0	7,943	4,902	210,784	458	1	135	1,884

WORKSHARING DATA FOR: OREGON, 1985

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	173	INA	758	342	17,694	47	0	37	179
Feb	62	INA	799	507	24,512	50	0	13	184
Mar	246	INA	828	645	28,641	156	0	53	196
Apr	76	INA	1,374	1,241	50,015	118	0	15	342
May	23	INA	1,040	1,006	39,256	19	0	4	260
Jun	45	INA	412	386	13,700	28	0	13	91
Jul	62	INA	251	204	8,324	8	0	12	53
Aug	2,004	INA	246	194	7,857	30	0	397	51
Sep	153	INA	5,871	3,833	150,611	1,934	0	28	1,184
Oct	120	INA	4,185	4,058	160,641	187	0	25	845
Nov	254	INA	332	261	12,287	57	0	52	83
Dec	105	INA	590	523	20,328	29	0	21	134
TOTAL	3,323	INA	16,686	13,200	533,866	2,663	0	670	3,602

WORKSHARING DATA FOR: OREGON, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	35	INA	1,702	1,643	93,712	41	0	9	520
Feb	52	INA	2,144	2,090	78,897	53	0	11	447
Mar	12	INA	1,869	1,845	69,253	23	0	2	384
Apr	32	INA	2,063	2,048	73,316	16	0	11	424
May	82	INA	619	520	21,444	67	0	17	145
Jun	26	INA	577	519	23,388	39	0	6	143
Jul	21	INA	898	717	34,587	27	0	5	187
Aug	9	INA	496	480	22,627	7	0	1	120
Sep	93	INA	189	120	5,352	4	0	20	45
Oct	69	INA	208	146	6,859	36	0	16	47
Nov	16	INA	154	158	7,559	9	0	3	39
Dec	26	INA	308	234	10,967	39	0	7	68
TOTAL	473	INA	11,227	10,520	447,961	361	0	108	2,569

WORKSHARING DATA FOR: TEXAS, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	5,017	INA	35	0	0	0	0	2,007	14
Feb	874	INA	567	567	20,732	0	0	350	142
Mar	322	INA	1,831	1,831	52,852	INA	INA	129	362
Apr	284	INA	1,300	1,300	41,174	INA	INA	114	278
May	247	INA	2,096	2,096	66,378	INA	INA	99	449
Jun	584	INA	2,216	2,216	69,237	INA	INA	234	474
Jul	165	INA	2,449	2,449	77,567	INA	INA	66	524
Aug	410	INA	2,620	2,620	82,981	INA	INA	164	561
Sep	899	INA	1,920	1,920	60,813	INA	INA	360	411
Oct	441	0	2,769	533	101,511	40	0	176	593
Nov	93	0	3,878	671	175,592	16	0	37	830
Dec	283	0	2,086	627	120,227	59	0	112	638
TOTAL	9,619	INA	23,767	16,830	869,064	115	INA	3,848	5,276

WORKSHARING DATA FOR: VERMONT, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Aug	19	0	35	20	1,362	12	0	10	19
Sep	0	0	6	6	408	1	0	0	3
Oct	0	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0
TOTAL	19	0	41	26	1,770	13	0	10	22

WORKSHARING DATA FOR: WASHINGTON, 1984

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	INA	INA	INA	INA	INA	INA	INA	INA	INA
Feb	INA	INA	INA	INA	INA	INA	INA	INA	INA
Mar	INA	INA	INA	INA	INA	INA	INA	INA	INA
Apr	INA	INA	INA	INA	INA	INA	INA	INA	INA
May	INA	INA	INA	INA	INA	INA	INA	INA	INA
Jun	INA	INA	INA	INA	INA	INA	INA	INA	INA
Jul	INA	INA	INA	INA	INA	INA	INA	INA	INA
Aug	INA	INA	INA	INA	INA	INA	INA	INA	INA
Sep	INA	INA	INA	INA	INA	INA	INA	INA	INA
Oct	INA	INA	INA	INA	INA	INA	INA	INA	INA
Nov	156	INA	1,285	942	38,415	87	INA	INA	266
Dec	140	INA	1,186	705	31,761	54	INA	INA	221
TOTAL	296	INA	2,471	1,647	70,176	141	INA	INA	487

WORKSHARING DATA FOR: WASHINGTON, 1985

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	75	INA	1,799	1,171	49,833	156	0	INA	349
Feb	10	INA	1,001	681	29,554	37	0	INA	202
Mar	324	INA	1,890	1,502	50,111	200	0	INA	330
Apr	156	INA	1,982	1,605	49,275	136	0	INA	337
May	55	INA	1,834	1,505	50,634	60	0	INA	340
Jun	169	INA	1,372	1,266	46,756	41	0	INA	301
Jul	684	INA	3,293	2,505	90,010	421	0	INA	567
Aug	1,083	INA	2,460	2,044	76,639	169	0	INA	478
Sep	1,719	INA	6,302	3,780	133,316	1,996	0	INA	797
Oct	461	INA	7,548	6,896	242,763	535	0	INA	1,425
Nov	660	INA	3,128	2,639	102,929	182	0	INA	621
Dec	531	INA	5,851	4,718	255,109	463	1	INA	1,548
TOTAL	5,927	INA	38,460	30,312	1,176,929	4,396	1	INA	7,295

WORKSHARING DATA FOR: WASHINGTON, 1986

MONTH	INITIAL CLAIMS	ADDITIONAL INITIAL	CONTINUED WKS CLAIM	WEEKS COMP	BENEFITS PAID	FIRST PAYMNT	FINAL PAYMNT	EQUIV INITIALS	EQUIV WKS CLAIM
Jan	430	INA	8,351	6,277	328,455	504	1	INA	1,977
Feb	576	INA	5,409	4,502	181,709	319	0	INA	1,190
Mar	301	INA	5,369	4,788	190,083	269	0	INA	1,237
Apr	258	INA	3,783	3,305	124,783	112	1	INA	799
May	202	INA	2,319	1,888	80,646	194	0	INA	510
Jun	87	701	2,510	2,017	87,869	131	1	INA	566
Jul	344	819	2,466	1,968	78,850	126	1	INA	520
Aug	139	707	2,127	1,650	65,854	136	1	INA	424
Sep	99	568	1,688	1,470	65,390	88	0	INA	406
Nov	365	513	1,651	1,259	52,160	195	0	INA	336
Dec	365	513	1,651	1,260	32,180	195	0	INA	196
TOTAL	3,166	3,821	37,324	30,384	1,287,979	2,269	5	INA	8,161

APPENDIX A

SHORT TIME COMPENSATION (WORK SHARING)

REGIONAL AND STATE POINTS OF CONTACT

REGIONAL STC CONTACTS	STATE STC CONTACTS
I. Gail H. Backus, Associate Regional Administrator DOL/ETA, Rm. 1703, J. F. Kennedy Federal Bldg. Boston, Massachusetts 02203 Phone: 8-835-2223/617-565-2223	Massachusetts Status-Legislation drafted and filed, not passed. Robert Gananog, Deputy Chief Counsel, Charles L. Hurley ES Bldg, Government Center C/O Legal Department Boston, Massachusetts 02114 Phone: 617-727-6836
II. Juan Conde UI Specialist, DOL/ETA 1515 Broadway, Rm. 3741 New York, New York 10035 Phone: 8-265-3206/212-944-3206	New York Status-Legislation enacted 1985 for Demonstration Project, Effective January 6, 1986. Joseph Gapp UIS, N.Y. Department of Labor Campus Bldg. #12 Albany, New York 12240 Phone: 518-457-2110
III. Leo T. Bull UI Program Specialist, DOL/ETA P.O. Box 8796 Philadelphia, Pa 19101 Phone: 8-596-6328/215-596-6381	Maryland Status-Legislation passed in 1984. Susan Bass Executive Assistant Department of ETA, UIS 1100 N. Eutaw Baltimore, Maryland 21201 Phone: 301-383-4167 Sheldon Flomenbaum Coordinator of Work Sharing Operations (same address) Phone: 301-383-4167 Pennsylvania Status-Legislation under consideration in 1985.

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IV. Diane Milhollin
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Florida Status-Legislation passed in 1984

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Illinois Status-Legislation passed in 1984

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VI. Ed Pischetta
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Arkansas Status-Legislation passed in 1985, effective July 1985

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Robert Kenyon
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Texas Status-Legislation passed 1985, effective January 1986

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Louisiana Status-Legislation passed 1985, effective January 1986

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No States have enacted STC as yet.

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No States have enacted STC as yet.

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Arizona Status-Legislation passed in 1982

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California Status-Legislation passed in 1978

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Washington Status-Legislation
passed in 1983

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Oregon Status-Legislation
passed in 1982

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APPENDIX B

Work-Sharing Bibliography

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