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CONNECTICUT SHARED WORK PROGRAM

Update Dated March 23, 2020

Governor Lamont's Executive Order 7H has directed all non-essential businesses to reduce their in-person workforce at each business location by 100% by 8:00 p.m. on March 23, 2020. Although a number of businesses that have been designated as "essential" will remain open or provide services, such essential businesses may still need to operate at a reduced capacity. Further, many non-essential businesses may continue to operate with a strictly remote workforce but also in a reduced capacity.

In this climate, the existing Connecticut Department of Labor's Shared Work Program provides businesses with an alternative to layoffs to help preserve jobs and retain skilled workers during a business downturn. Under the Shared Work Program an employer may reduce work hours for a group of affected employees instead of laying off some employees while retaining others to work full time. The Shared Work Program provides partial unemployment benefits to those employees whose hours and wages have been reduced. The following is a summary of the main components of the Shared Work Program. Additional information can be found at:

https://www.ctdol.state.ct.us/progsupt/bussrvce/shared_work/.

- There is no limit as to size of the employer; however, to participate, an employer must have a least two (2) employees who will be affected by the reduction in hours. The reduction in the affected employee's hours and wages must be at least 10% and not more than 60%.
- An employer wishing to participate in the Shared Work Program must submit an application describing the proposed Shared Work plan to the CT DOL for approval, which application the CT DOL must approve or deny, in writing, within 30 days.
- A Shared Work plan can only apply to permanent employees and cannot be used to subsidize seasonal workers during the off-season.
- A Shared Work plan can include full-time and part-time permanent employees. Each employee must be able to work and be available for additional hours of work with the participating employer.
- An approved Shared Work plan is effective for six months, and may be renewed for an additional six months. The plan will be effective on a Sunday (following approval by CT DOL) and will expire six months later on the respective Saturday.
- Employers must continue to provide all fringe benefits (e.g. health insurance, paid vacation and holidays, sick leave, seniority accrual) to any employees whose hours are reduced under the plan on the same terms and conditions as though their hours had not been reduced.

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- Shared Work benefits in the form of partial unemployment compensation are paid to each affected employee by the Department of Labor and are charged in the same manner as regular unemployment insurance benefits.
- An employee who is eligible for Shared Work benefits is exempt from the work search requirements generally applicable to individuals seeking unemployment compensation. Further, wages from other employment are disregarded in the calculation of an employee's shared work benefit.
- **Although the CT DOL has 30 days to approve or reject a Shared Work plan, it has indicated that all applications will be reviewed on an expedited basis.** Approval will be based upon compliance with certain conditions, including the following:
 - The plan applies to and identifies a specific affected unit (i.e. the employer's entire workforce or a specific department, shift or other unit of two or more employees) that is designated to participate in the Shared Work plan;
 - Employees who are designated as Shared Work plan participants are identified by name and social security number;
 - The plan confirms that fringe benefits will continue to be provided to employees as though their normal weekly hours of work had not been reduced;
 - The employer certifies that the Shared Work plan is in lieu of layoffs that would affect at least 10% of all employees in the affected unit; and
 - If any of the employees under a Shared Work plan are covered by a collective bargaining agreement, the plan (i) must be approved in writing by the applicable collective bargaining representative, or in the absence of such a representative, (ii) contain a certification that the employer has made a summary of the proposed plan available to each employee in the affected unit for inspection and comment for at least seven (7) days.
- An employee's weekly Shared Work benefit amount will be equal to one-half of his/her regular weekly unemployment benefit amount (which, in turn, is generally 50% of an employee's weekly pay, up to the current maximum weekly benefit rate of \$649). The following are examples of how the Shared Work benefit amount is calculated:
 - The regular weekly unemployment benefit for an employee who earns an annual salary \$30,000 (\$7,500/quarter) is \$288 ($\$7,500 \div 26$). If his/her wages are reduced by 50% the employer would pay 50% of the employee's weekly pay (or \$288), and the weekly Shared Work benefit paid by the CT DOL would be \$144, for a total of \$432, representing 75% of the employee's pay.
 - On the other hand, an employee who earns an annual salary of \$100,000 would be entitled to the maximum regular weekly benefit of \$649 (rather than an amount equal to 50% of his/her weekly pay of \$1,923). If his/her wages are reduced by 50%, the employer would pay 50% of the employee's weekly pay (or \$961) and the weekly Shared Work benefit paid by the CT DOL would be \$324, for a total of \$1,285, representing only 67% of the employee's pay.
- The Shared Work Application to be submitted by an employer can be found here:

https://www.ctdol.state.ct.us/progsupt/bussrvce/shared_work/UC305-SWAPP.pdf
- A fact sheet for employees is available at this link:

https://www.ctdol.state.ct.us/progsupt/bussrvce/shared_work/DOL%20SW%20Employee%20fact%20sheet%20-%20update.pdf