



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

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STATE TREASURER

DATE: June 1, 2020

TO: Local Governments

FROM: The Michigan Department of Treasury

SUBJECT: Work Share Program Information

The Michigan Department of Treasury would like to remind local units of government of the Unemployment Insurance Agency's Work Share Program. Currently, many local units are looking for creative solutions to address declining revenues. This UIA program allows employers to retain employees with reduced hours, while the employees collect partial unemployment benefits to make up a portion of the lost wages. Additionally, through July, employees may be eligible to receive the additional \$600 per week federal CARES Act benefit. Below is an example from the UIA illustrating the comparison of wages under the Work Share Program versus the worker's weekly wages.

Example: If a worker's weekly wages are \$1,000, yet the employer needs to reduce their salary/hours by 30%. Under Work Share, their weekly salary would be \$700 ($\$1,000 - 30\% = \700). Plus 30% of their state unemployment benefits (\$362 maximum $\times .30 = \$108$), plus an additional \$600 federal payment in Pandemic Unemployment Assistance through the CARES Act through July 2020.

With Work Share, the employee would earn \$1,408/week through July 2020 vs. \$962 without Work Share.

Attached are two flyers with more information on the Work Share program for your review. More detailed information on the Work Share program is also available at www.Michigan.gov/WorkShare. Employer inquiries regarding the Work Share Program can be emailed to UIA-workshare@michigan.gov.

Additionally, the Michigan Department of Treasury has developed a webpage with numbered letters, memorandums, webinars and resources regarding COVID-19 updates for local governments and school districts. This webpage was created to ensure that Michigan communities have access to the most up-to-date guidance and is updated frequently with information and resources as they become available. The link to the COVID-19 Updates for Local Governments and School Districts' webpage is available at https://www.michigan.gov/treasury/0,4679,7-121-1751_98769---,00.html.

WORK SHARE PROGRAM

Bring Workers Back from Unemployment

WorkShare

RESTART. RETAIN.

Michigan's Work Share program allows employers to restart their business and bring employees back from unemployment. Employers can bring employees back with reduced hours - while employees collect partial unemployment benefits to make up a portion of the lost wages. Employers can also retain their current workforce and are given the flexibility to choose which of their employees are part of a Work Share plan.



PROGRAM REQUIREMENTS

As a result of Governor Whitmer's Executive Order, Michigan's Work Share program eligibility requirements have been expanded:

- If business demand is down, employers participating in workshare can preserve their workforce while reducing hours and wages by 10 - 60%.
- Waived the length of time requirement that employers must be in business.
- Waived the requirement that employers NOT have a previous history of layoffs.
- Waived the requirement that employers have a current or positive balance with UIA.

Work Share requirements:

- Employers are given flexibility to organize which employees are in a Work Share plan.
- A plan must include a minimum of two employees and an employer can have multiple plans.
- Plans may be approved for a period of up to 52 consecutive weeks.
- Employee hours/wages may be reduced by a minimum of 10% up to a maximum 60%.
- Part-time employees are eligible, but Work Share does not apply to seasonal, temporary, or intermittent employment.
- Employees must be eligible to receive state unemployment benefits.
- Employer must obtain approval of any applicable collective bargaining unit representative.
- Employers participating in Work Share cannot modify employees fringe benefits.

Under the federal CARES Act:

- Employees that receive a percent of Michigan unemployment benefits (including Work Share) also receive an additional \$600 federal payment in Pandemic Unemployment Assistance through the CARES Act through July 2020.



HOW IT WORKS

With the Work Share program, a worker receives a reduced salary from an employer, but is given a percent their state benefits plus the additional \$600 federal benefit through July. The reduction in work hours must result in an equivalent reduction in wages.

HOW IT WORKS

If a worker's weekly wages are \$1,000, yet the employer needs to reduce their salary/hours by 30%. Under Work Share, their weekly salary would be \$700 (\$1,000 - 30% = \$700). Plus 30% of their state unemployment benefits (\$362 maximum x .30 = \$108), plus an additional \$600 federal payment in Pandemic Unemployment Assistance through the CARES Act through July 2020.

With Work Share, the employee would earn \$1,408/ week through July 2020 vs. \$962 without Work Share.

As businesses are reopened, Work Share can help employers bring back their employees from unemployment faster and allows employers to retain their workforce and avoid layoffs.

WORK SHARE PROGRAM

Examples

WorkShare

RESTART. RETAIN.



RETAINING WORKERS

Average Salary of \$52,000 (\$1,000/week)

For 12 weeks, employer will experience a loss of revenue, but is still operating and wants to retain their 100 employees

Employee is receiving \$1,000/week and then is retained to work under a 60% reduction in wages and hours.

Under Work Share

\$400/week in salary + 60% of state unemployment benefits (\$362 maximum x .60 = \$217.20) + \$600 federal benefit through July 2020.

Employee Weekly Salary
through July 2020

\$1,217

with Work Share

\$962

full unemployment



RESTARTING BUSINESS

Average Salary of \$52,000 (\$1,000/week)

Employer wants to bring back 100 employees that were laid off and on unemployment to restart the business at 70% capacity for 12 weeks

Employee is receiving \$1,000/week and then is retained to work under a 30% reduction in wages and hours.

Under Work Share

\$700/week in salary + 30% of state unemployment benefits (\$362 maximum x .30 = \$108.60) + \$600 federal benefit through July 2020.

Employee Weekly Salary
through July 2020

\$1,408

with Work Share

\$962

full unemployment

APPLICATION PROCESS



Go to Michigan.gov/UIA.



Login to MiWAM.



File an application.

For more information, visit Michigan.gov/WorkShare or call the Office of Employer Ombudsman at 1-855-484-2636.



Bring Workers Back From Unemployment



WorkShare

RESTART BUSINESS.
RETAIN TALENT.





WHAT IS WORK SHARE?

HOW DOES IT WORK?

During this global pandemic, we know that many Michigan businesses are faced with extremely difficult choices to make when it comes to their workforce.

You may be struggling to reopen your business and reengage your employees. However, with Work Share, you may not have to.

Michigan's Work Share program allows employers to restart their business and bring employees back from unemployment. Employers can bring employees back with reduced hours - while employees collect partial unemployment benefits to make up a portion of the lost wages. Employers can also retain their current workforce and are given the flexibility to choose which of their employees are part of a Work Share plan.

With the Work Share program, a worker receives a reduced salary from an employer, but is given a percent their state benefits plus the additional \$600 federal benefit through July. The reduction in work hours must result in an equivalent reduction in wages.

Example: If a worker's weekly wages are \$1,000, yet the employer needs to reduce their salary/hours by 30%. Under Work Share, their weekly salary would be \$700.00 ($\$1,000 - 30\% = \700). Plus 30% of their state unemployment benefits ($\$362 \text{ maximum} \times .30 = \108), plus an additional \$600 federal payment through July.

With Work Share, the employee would earn \$1,408/week through July 2020 vs. \$962 without Work Share.

As businesses are reopened, Work Share can help employers bring back their employees from unemployment faster and allows employers to retain their workforce and avoid layoffs.

RESTARTING BUSINESS EXAMPLE

AVERAGE SALARY of \$52,000 (\$1,000/week)

Employer wants to bring back 100 employees that were laid off and on unemployment to restart the business at 70% capacity for 12 weeks

- > Employee is receiving \$1,000/week and then is retained to work under a **30%** reduction in wages and hours.
- > Under Work Share: **\$700**/week in salary + **30%** of state unemployment benefits ($\$362 \text{ maximum} \times .30 = \108.60) + **\$600** federal benefit through July.

Employee Weekly Salary

- > With Work Share: **\$1,408** through July 2020
- > Laid off/on unemployment: **\$962** maximum through July 2020

Under the federal CARES Act, employees that receive a percent of Michigan unemployment benefits (including Work Share) also receive the weekly \$600 federal benefit through July 2020.



ADVANTAGES OF WORK SHARE

- > **Minimizes or eliminates** the need for layoffs.
- > **Enables a business** to retain trained employees and avoid the expense of recruiting, hiring and training new employees while business demand is reduced.
- > **Saves money** and keeps your skilled workforce intact.
- > Can be used in **almost all types of business** or industry.
- > **Employees are provided** partial unemployment to offset or replace income losses.
- > **Allows you to restart your business** as Stay Home restrictions are relaxed.

WHO CAN PARTICIPATE?

Work Share Under Executive Order 2020-57

As a result of Governor Whitmer's Executive Order, Michigan's Work Share program eligibility requirements have been expanded:

- > If business demand is down, employers participating in Work Share can preserve their workforce while reducing hours and wages by 10 - 60%.
- > Waived the length of time requirement that employers must be in business.
- > Waived the requirement that employers NOT have a previous history of layoffs.
- > Waived the requirement that employers have a current or positive balance with UIA.

RETAINING WORKERS EXAMPLE

AVERAGE SALARY of \$52,000 (\$1,000/week)

For 12 weeks, employer will experience a loss of revenue, but is still operating and wants to retain their 100 employees

- > Employee is receiving \$1,000/week and then is retained to work under a **60%** reduction in wages and hours.
- > Under Work Share: **\$400**/week in salary + **60%** of state unemployment benefits (\$362 maximum x .60 = \$217.20) + **\$600** federal benefit through July.

Employee Weekly Salary **OPTIONS**

- > With Work Share: **\$1,217** through July 2020
- > Full unemployment: **\$962** (maximum through July 2020)



WorkShare



PROGRAM REQUIREMENTS

HOW TO APPLY

As a result of Executive Order 2020-57, most Work Share program eligibility requirements have been temporarily suspended. Employers must meet and maintain the following requirements in order to participate in the Work Share program:

- > Employers are given flexibility to organize which employees are in a Work Share plan.
- > A plan must include a minimum of two employees.
- > Plans may be approved for a period of up to 52 consecutive weeks.
- > Employee hours/wages may be reduced by a minimum of 10% up to a maximum 60%.
- > Part-time employees are eligible, but Work Share does not apply to seasonal, temporary, or intermittent employment.
- > Employees must be eligible to receive state unemployment benefits.
- > Employer must obtain approval of any applicable collective bargaining unit representative.
- > Employers participating in Work Share can not modify employees fringe benefits.

Employers may file an application online through the Michigan Web Account Manager (MiWAM) at Michigan.gov/UIA.

For more information, visit Michigan.gov/WorkShare or call the Office of Employer Ombudsman at 1-855-484-2636.

AVOID LAYOFFS.

KEEP YOUR
SKILLED WORKERS.

SAVE MONEY.

For more information
about Work Share, visit our website at

michigan.gov/workshare

or call 1-855-484-2636.

UNEMPLOYMENT INSURANCE AGENCY
MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY



WorkShare

A Better Alternative to Layoffs