

**MEMO
WORK SHARING PROGRAM**

This program was established by the California legislature as an alternative to layoffs by minimizing or eliminating the need for layoffs and the accompanying hardships for affected employees.

What are the benefits?

1. During a temporary slowdown of the business, if the affected employees are retained instead of being laid off, employers can spare the expense of recruiting, hiring, and training new employees when business conditions improve.
2. For employers who need to reduce their work force permanently, this program can be used as a transition to layoff, and the affected employees can continue to work at reduced level before finding other employment.
3. During the period of reduced hours and wages, the program would provide benefit payments to participating employees whose wages and hours have been reduced. Employers are charged for benefits paid in the same manner as for regular unemployment insurance benefits.

Some more specific requirements are:

1. A minimum of two employees, comprising at least 10 percent of the employer's regular workforce or a unit of the workforce, must be affected by the reduction in wages and hours worked.
2. The reduction in wages and hours worked also must be at least 10 percent.
3. Employees participating in the program must meet regular unemployment insurance claim filing requirements.

To participate in this program, employers may download the Work Sharing Plan application, Form DE 8686, from the internet at http://www.edd.ca.gov/pdf_pub_ctr/de8686.pdf. Or the employer may call or write to:

EDD Special Claims Office
P.O. Box 419076
Rancho Cordova, CA 95741-9076
(916) 464-3343

Once the application is approved, the employer receives a letter of approval, one mail claim packet for each participating employee, and a ten-week supply of weekly certification forms to be issued to participating employees during those reduced-work weeks. The claim packet must be completed and mailed in to the Special Claims Office to establish an unemployment insurance claim before program benefits will be paid. Benefits are paid weekly in proportion to the percentage of reduction in hours and wages.

If you have any questions regarding this Work Sharing program or how it may benefit you and your business, please do not hesitate to contact us. You may also view a copy of this and other FBD memos on our website under PUBLICATIONS/Client Memos - [http://www.fbco.com/publications.Client Memos](http://www.fbco.com/publications.Client%20Memos).

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