

## Work-Sharing Brochure for Employers

### Facing Difficult Times?

When employers face difficulties beyond their control and are temporarily reducing their company's activities, they may be eligible to participate in a Work-Sharing agreement to help avoid laying off employees.

### How Can Work-Sharing Help?

The Work-Sharing program enables employers to deal with a temporary shortage of work without laying off employees. Under a Work-Sharing agreement, employers can reduce the employees' working hours by between 10% and 60%. To help compensate for the days or time not worked, eligible employees may receive Employment Insurance (EI) benefits.

By participating in Work-Sharing, employers benefit from: retaining skilled employees and avoiding the expense of hiring and training new employees when work activity returns to normal.

Employees benefit from: avoiding the hardship of being laid off; maintaining their work skills and connection to the labour market; and receiving EI benefits for the days not worked.

### Who Can Participate in Work-Sharing?

To be eligible for a Work-Sharing agreement, **employers** must:

- be a publicly-held company, a private business or a not-for-profit organization (that generates revenue through business activity);
- have been in business in Canada year-round for at least two years;
- demonstrate a recent decrease in business activity of approximately 10%;
- demonstrate that the work shortage is temporary and beyond their control, and not a cyclical or recurring slowdown;
- not be experiencing a reduction in business activity related to a labour dispute;
- have the agreement of the union (if applicable) and employees; and,
- submit and implement a recovery plan designed to return the Work-Sharing unit(s) to normal working hours by the end of the Work-Sharing agreement.



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To be eligible for a Work-Sharing agreement, a minimum of two employees is required. **Employees** must:

- be year-round "core employees" (i.e. permanent full-time or part-time employees who are required to carry out the everyday functions of normal business activity);
- be eligible to receive EI benefits; and,
- agree to a reduction of their normal working hours in order to share the available work.

### **How Long Can Work-Sharing Help?**

The initial duration of a Work-Sharing agreement is between a minimum of six consecutive weeks and a maximum of 26 consecutive weeks. Employers may request an extension of up to 12 weeks bringing the total to a maximum of 38 weeks. Extensions are not automatic; all requests for an extension must be assessed and approved by Service Canada.

Employers who previously had a Work-Sharing agreement in place are subject to a mandatory waiting period (i.e. equal to the number of weeks of their previous agreement, up to a maximum of 38 weeks) before entering into a new agreement with the same group of employees.

An employer may enter into a new Work-Sharing agreement involving a different group of employees without having to serve the mandatory waiting period, provided all the eligibility criteria are met.

### **Work-Sharing Temporary Special Measures for forestry and steel and aluminum sectors:**

The Government of Canada introduced temporary special measures that extend the maximum duration of Work-Sharing agreements from 38 weeks to 76 weeks across Canada for those businesses affected by the downturn in the forestry and steel and aluminum sector. The mandatory waiting period has also been waived so that employers with a recently expired agreement may immediately apply for a new agreement, without waiting between applications. Access the [Work-Sharing temporary special measures](#) page to find out if you are eligible.

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## **Forestry sector:**

Temporary special measures are effective July 30, 2017 to March 28, 2020.

Employers may be eligible if their business has been directly or indirectly affected by the downturn in the forestry sector and if they:

- had a WS agreement that ended between October 30, 2016 and July 29, 2017;
- have a WS agreement that will be signed between July 30, 2017 and March 28, 2020 (with an agreement start date no later than March 29, 2020); or
- have a WS agreement that will begin or end between July 30, 2017 and March 28, 2020.

## **Steel and aluminum sector:**

Temporary special measures are effective August 19, 2018 to March 27, 2021.

Employers may be eligible if their business has been directly or indirectly affected by the downturn in the steel and aluminum sector and if they:

- had a WS agreement that ended between November 25, 2017 and August 18, 2018;
- have a WS agreement that will be signed between August 19, 2018 and March 27, 2021 (with an agreement start date no later than March 28, 2021); or
- have a WS agreement that will begin or end between August 19, 2018 and March 27, 2021

## **How are Benefits Calculated?**

Employees are eligible to receive 55% of their wage for the hours they do not work during the Work-Sharing agreement. For example, an employee earning \$625 a week, working 20% fewer hours will receive \$68.75 as EI benefits while in a Work-Sharing agreement.

### **Example:**

$$(\$625 \times 55\%) \times 20\% = \$68.75$$

Participants do not have to serve a waiting period to receive Work-Sharing benefits; however, it may take a few weeks for the first payment to be received.

Work-Sharing agreements generally do not affect employees' entitlement to regular EI benefits if they happen to be laid off after the agreement ends.

Please note: Further guidance can be provided regarding calculation of benefits in cases of irregular work schedules.

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## Applying for the Work-Sharing Program

The employer and the employees (and the union, if applicable) must agree to participate in a Work-Sharing agreement and must apply together. Applications must be submitted a minimum of 30 days prior to the requested start date.

Before applying, please read the [Work-Sharing Applicant Guide](#) and discuss it with your employees.

If you are applying for the temporary special measures, please refer to the [Work-Sharing Applicant Guide for the temporary special measures](#).

### Where can I find more information about Work-Sharing?

- Click [Work-Sharing Program](#)
- Call 1-800-367-5693 (TTY: 1-855-881-9874)
- Visit your local [Service Canada Centre](#)