

Work Sharing Program (WS)

Work-Sharing (WS) is an adjustment program designed to **help employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity** that is beyond the control of the employer. The measure provides income support to employees eligible for Employment Insurance benefits who work a temporarily reduced work week while their employer recovers.

Work-Sharing is a three-party **agreement involving employers, employees and Service Canada**. Employees on a Work-Sharing agreement must agree to a reduced schedule of work and to share the available work over a specified period of time.

Temporary Changes to Work-Sharing in response to COVID-19

Extended participation

Employers who participate in the program due to COVID-19 can now do so for up to 76 weeks, which is an **extension of the usual maximum period** of 38 weeks.

Cooling-off period

The **cooling-off period is being temporarily waived**. Typically, there is a mandatory “cooling-off” period, where the employer cannot re-enter a Work-Sharing (WS) agreement with the same employees for a period of time. Due to the COVID-19 pandemic, this cooling-off period is being temporarily waived. Employers that participated in the program and whose participation period ended prior to March 13, 2020 may be able to waive the mandatory cooling off period to participate in the program again.

Who is Eligible?

To be eligible to participate, **employers must be experiencing a downturn in business activity related to the global outbreak of COVID-19**, and have WS agreements that meet the following criteria:

- signed between March 15, 2020 and March 14, 2021;
- began, or ended, between March 15, 2020 and March 14, 2021; and
- ended between June 23, 2019, and March 14, 2020, and are in their mandatory cooling-off period.

Additional requirements for employers (not specific to COVID-19) indicate employers must:

- have been in business in Canada year-round for at least two (2) years;
- be a private business, publicly-held company or a not-for-profit organization;
- demonstrate that the shortage of work is temporary and beyond their control;
- demonstrate a recent decrease in business activity of approximately 10%;
- submit and implement a recovery plan designed to return the work-sharing individuals to normal working hours by the end of the program; and
- have at least two employees in the WS unit *

*A Work-Sharing Unit is a group of at least two employees with similar duties who agree to a work-sharing arrangement.

Eligible employees must meet the following criteria:

- year-round, permanent, full-time or part-time employees needed to carry out the day-to-day functions of the business (“core staff”);
- eligible to receive EI benefits; and
- agree to reduce their normal working hours by the same percentage and to share the available work.

How to Apply

The **employer and employee must agree to participate** in a work share agreement. The application is then sent to Service Canada.

Guidance on program duration and impact to employees work schedule is outlined below.

- **Time is reduced between a minimum of 10%** (one half day) and **a maximum of 60%** (three days).
- In any given week, the **work reduction can vary depending on available work**, as long as the work reduction on average is between 10%-60% for the duration of the program
- The program must have a **minimum duration of six (6) weeks and as a result of COVID-19**, may last up to 76 weeks. The mandatory waiting period has also been waived as the result of COVID-19.
- Once the application is approved, the agreement must be signed by all three parties (Employer, Employees, Service Canada) within 60 calendar days following the date of approval. If it is not signed within this time limit, the WS agreement will be terminated and the applicant must begin the application process again.

The **application process can be quite complex** as it involves several forms to be filled out and also **requires the development of a recovery plan**. If you wish to find out more about this program, please contact your KWB advisor for further information.