



STRONG CASE FOR WORK SHARE

28

STATES HAVE A WORK SHARE PROGRAM

What is work share?

Work share is a voluntary and cost-effective alternative to traditional unemployment benefits. In lieu of laying off a number of employees entirely during an economic downturn, an employer elects to retain those employees and reduce the hours of all employees or of a particular group or department. Those employees are then permitted to draw a partial unemployment compensation benefit based upon the hours reduced.

Example: If an employer was planning to lay off 20% of its existing 100-employee workforce, work share would have the employer instead reduce the total hours of work for all employees by 20% and those employees would receive a prorated partial unemployment benefit.

WORK SHARE STATES
SAVED MORE THAN

500K

JOBS IN THE
LAST FIVE YEARS

What are the benefits?

For the employee:

- Maintains employment
- Avoids substantial loss of income
- Earns more than under traditional unemployment
- Keeps up skills and marketability (with no employment gap)
- Retains employer-sponsored benefits, including health insurance



For the employer:

- Offers flexibility in economic downturn
- Enables retention of a skilled workforce
- Avoids turnover and rehiring costs
- Allows for potential employee training in other skills



For the state of Indiana:

- Reduces the number of layoffs and unemployed workers
- Higher income tax revenue (with more people employed)
- More income equals higher consumption, resulting in more sales taxes
- Avoids additional costs to state-subsidized entitlement programs



NONE

REPORTED ADDITIONAL
COSTS OR A NEGATIVE
IMPACT TO THEIR STATE
UNEMPLOYMENT TRUST
FUNDS



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