

Navigating a Work Share Program and what to consider.

In recent days we have fielded a lot of questions about navigating the Work Share Program. Although it has been in place for a while, there have been special measures added in response to the COVID-19 pandemic, It is now considered a key tool in the government stimulus package. Many employers are unsure on how it works and if it is for them.

How do I know if a Work Share (WS) program is right for me?

These are the questions we would ask.

Can I provide a safe working environment, according to WorkSafe BC during COVID-19 OR can my company run with my employees working from home? (Or is my business considered an essential service.)

Can I afford to maintain a reduced workforce on my current cash flow projections. (Can I make payroll for the foreseeable?)

Which employees are critical to my business and can I maintain a level of business activity with them working part time?

If you answered YES to the above, then the WS program might be for you!

What is the Work Share Program?

Work-Share program is an adjustment program, provided by the government, designed to help employers and employees avoid layoffs. It is put in place when there is a temporary

reduction in the normal level of business activity, that is beyond the control of the employer.

How does it work?

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 equally, over a specified period of time.

The work share program provides income support to employees eligible for Employment Insurance benefits, who work a temporarily reduced work week, while their employer recovers.

So as an employer I still pay my people?

Yes, on a prorated amount. E.g. if Jane works 40% of her usual work, she received 40% of her pay from her employer. She then receives an adjusted amount from EI, based on her eligibility.

How long can we put our employees on a WS program?

Under the new agreements, the program can be in place for a total of 76 weeks.

How long do we have to struggle on before we can do this?

UPDATE: the government are committed to processing these plans within 7-10 days. Please note. The waiting time for processing is normally 30 days. They are working their hardest to reduce this!

Who is eligible to use the WS program?

You may be eligible, if you are experiencing a downturn because of COVID-19 *and*:

Have WS programs that were signed between March 15th 2020 and March 13 2021.

Have WS programs that began or ended between March 15 2020 and March 15 2021

The WS agreement ended between June 23 2019 and March 14 2020 and are in their cooling off period. (Translates, if you are already on one and just rolling off it, then there is the possibility to start a new one due to the COVID-19 downturn.) NOTE if you're in forestry or steel industries there are exceptions to this.

You must be a publicly held, FOR profit company, a private business or a Not For Profit.

Have been in business for 2 years (year round)

Demonstrate a clear downturn in your business activities by at least 10%

Show that this slow down is temporary and not something that happens seasonally in your business,

Have a plan on how you are going to recover from this and design a return to work plan that brings your team back on their normal hours by the end of the agreement.

Employees must be your "Core employees" which means they work for you year round on a FT or PT basis and carry out the day to day running of your business.

Employees must be eligible to receive EI. (Note this often cant be determined in advanced, so all employees are considered eligible for benefits unless they are told otherwise by EI. They also don't have to tell you if they are or aren't.)

Employees MUST agree to the WS program

How do I prove I'm an eligible employer?

You need to demonstrate that there has been at least a 10% reduction in business in the last 6 months. You can do this by providing the past 24 months of data for:

Sales data,
Production data
Personnel (# of employees)

Who can share the work?

The “Unit” is the term that the government uses refers to as the group of employees, all who agree to the reduction in hours. This can be made up of one or more employees. Typically, the unit performs similar work, under one job description. It can also be interrelated jobs.

The unit should not include anyone who is fundamental to the recovery of the business. These people need to be working full time. (e.g. sales, executive management, marketing, product development.)

What happens if one person on the team doesn't want to WS?

In order for the WS program to work, all employees, who share the same job description, must reduce their hours equally. If an individual chooses to not accept EI OR is ineligible for EI, they must still reduce their hours accordingly on the same level. You can't have one person, of the same job description, working Full Time, when others of the same job description are doing a WS program.

But what happens if they refuse?

If the company does not have enough work to support a full time position you can offer them a reduced work schedule that matches those that are on the WS program, OR you can offer a temporary short term layoff. This will allow the individual to come back to their role, once the business has picked back up again.

So why wouldn't we do a temporary short term lay off for everyone?

The idea of the WS program is to keep businesses going and avoid layoffs. On the business side, you want to keep your business and certain activities going you need done that, in turn, will speed up the recovery of your business. On the individual side, the employee's still make a prorated amount of their FT salary on the days that they work and receive additional support from EI on the days that they don't. Therefore, they would make more than they would on EI alone.

What else do I need to know about navigating the workshare program?

As mentioned above, you need to write a recovery plan.

You also have to let your employees know that there are tax implications on receiving EI. Just like their salary is taxable, so is what they receive from EI. They *may* be required to repay some of their EI benefits when they file their tax return the following year.

You must maintain employee benefits during this time

Your employees continue to accrue vacation

Stat holidays are NOT compensated by EI and are your responsibility.

Can I do training for my people while on a WS program?

Yes - we think that's an awesome idea. Use this time to invest in and upskill your people.

BLANKSLATE Partners is teaming up with [Granted](#). If you need help on this, please reach out.