

HELP FOR CANADIAN BUSINESS OWNERS
**WORK-SHARE IS HERE TO
HELP YOU RECOVER.**



SOLUTIONS

Attract, engage, & retain the best people
and build a stronger business—all through
Employee Investment Optimization.

What are Work-Sharing Benefits?

Work-Sharing (WS) is a program designed to help employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity beyond the employer's control.

The program allows employers to temporarily reduce its employees work schedule, by providing the employee with a portion of their reduced income.

The program is an agreement between 3 parties:

- ▶ Employer
- ▶ Employee
- ▶ Service Canada

The employer and employee must agree to participate in the Work-Share agreement together. The application is then sent to Service Canada.

The Federal Government recently implemented amendments to the Work-Share application due to COVID-19. Including, but not limited to:

- ▶ Waiving the mandatory waiting period.
- ▶ Extending the extension period from 12 to 76 weeks.
- ▶ Adding special measures for forestry, steel and aluminum sector.

How Do Work-Share Benefits Work?

The employer and employee agree to a reduction in hours of work. Service Canada will then pay 55% of the lost income.

The following example is adapted from the Service Canada website:

- ▶ Samantha works full-time at an engineering firm earning \$769 per week.
- ▶ Due to COVID-10, the firm has faced a significant reduction in workload.
- ▶ The firm decides to enter into Work-Share agreement with Service Canada where all unit members reduce their work by 35%.
- ▶ If Samantha does not agree to the voluntarily reduced work hours, she will be laid off and receive \$423 per week (55% of her weekly income via unemployment insurance benefit).
- ▶ If she agrees to reduce her work hours by 35% then she will receive the following payments:
 - \$500 per week from her employer (65% of her previous weekly income); and
 - \$148 per week from Service Canada (55% of the lost income)

She now has the potential to earn \$648 per week, keep her active employee status and skills up to date.

Who is Eligible?

Eligible employers must:

- ▶ Have been in business in Canada year-round for at least one year.
- ▶ Be a private business, a publicly held company, or a non-for-profit organization.
- ▶ Demonstrate that shortage of work is temporary and beyond their control.
- ▶ Demonstrate a recent decrease in business activity of approximately 10%.

Eligible employees must:

- ▶ Be “core employees” (i.e. year-round, permanent full-time or part-time employees who carry out the everyday functions of normal business).
- ▶ Be eligible to receive EI benefits.
- ▶ Agree to a reduction of their normal working hours.

What is a Work-Sharing (WS) Unit?

A WS unit is a group of eligible employees who have agreed to participate in the WS program and usually includes all employees in a single job description who perform similar work.

The unit should not include employees who are necessary for business' recovery, such as senior management, outside sales representative etc.

There must be a minimum of two employees in a WS unit.

How Do I Apply?

To apply for Work-Sharing, employers must:

- ▶ Contact an EIO Expert at hello@eiosolutions.com or directly by phone at [1-855-440-3993](tel:1-855-440-3993) and we will;
- ▶ Guide you through the process of completing the application form, which includes attachments and signatures of employer and employee representatives.
- ▶ Assist and submit a recovery plan designed to return the Work-Share Unit(s) to normal working hours by the end of the Work-Share agreement.
- ▶ Demonstrate and prove the requested reduction in hours corresponds with the number of anticipated temporary layoffs.

Although the application can seem overwhelming for employers, especially during this time of uncertainty, our employment experts can help you navigate the forms to start to take advantage of this program and take control of your business again.

Please note the above information is accurate at the time of publication on March 19th, 2020. The updates of COVID-19 are changing rapidly, along with changes in the government legislation. We will continue to update our information as frequently as possible to provide you up to date and accurate information.