



Discovery Healthcare Consulting Group, LLC

To: Our Clients

RE: Texas Shared Work Program

What is the Texas Shared Work Program?

- ❖ This is a program developed by the Texas Work Force Commission (TWC) to help Texas employers and employees withstand a slowdown in business.
- ❖ The detailed requirements & description of this program can be found online at: <https://www.twc.texas.gov/businesses/shared-work#detailsForASharedWorkPlan>

What does the Texas Shared Work Program do?

- ❖ The Shared Work Program is an alternative to layoffs that supplements employees' lost wages (due to reduced work hours) with partial unemployment benefits.
- ❖ Allows employers to reduce normal weekly hours for employees in an affected unit by at least 10% but not more than 40%; the reduction must affect at least 10% of the employees in that unit. (TWC calculates the number from the number of hours you specify as normal full-time employment.)
- ❖ Shared work unemployment benefits affect the employer's tax rate in the same way as other benefit chargebacks. Unemployment benefits paid through the shared work program are charged to the employer's account and used to compute the general (experience) tax rate.
- ❖ Shared Work unemployment benefits are payable to employees who qualify for and participate in an approved Shared Work Plan. Workers may choose not to participate. Employees who qualify will receive both wages and Shared Work unemployment benefits.
- ❖ Note: Shared Work does not subsidize a seasonal employer during the off-season.

What are the Eligibility Requirements for a Shared Work Plan?

- ❖ Reduction in normal weekly hours between 10-40%. i.e. reduction in their staff/department/unit's normal full-time working schedule. (Reduction in overtime not allowed)
- ❖ The reduction in hours must apply to at least 10% of the employees in an affected unit
- ❖ A shared work plan must describe how the employees will be notified in advance of the plan, if possible.
- ❖ A shared work plan must be an alternative to layoffs, and you must provide an estimate of the number of employees who would be laid off if you do not participate in a shared work plan.
- ❖ If you currently provide fringe benefits, you must continue to provide these benefits for the employees in the shared work plan. Fringe benefits include health insurance, retirement benefits, paid vacation, holiday or sick leave, or other employee benefit.
- ❖ Employees participating in a shared work plan may participate in training, such as employer-sponsored training or Commission-approved training, to enhance their job skills.

What are the Eligibility Requirements & Benefits for the *Employee*?

- ❖ Shared Work unemployment benefits are payable to employees who qualify for and participate in an approved Shared Work Plan. (Workers may choose not to participate.)
- ❖ Employees who qualify will receive both wages and Shared Work unemployment benefits.
- ❖ Shared Work benefits can be paid only for wages lost because of a reduction in the employee's regular hours.
 - Regular hours may not exceed 40 hours.
 - An employee who normally works overtime may not receive shared work benefits for a reduction in their overtime hours.

RE: Texas Shared Work Program (continued)

What are the Eligibility Requirements & Benefits for the *Employee*? (continued)

- ❖ After the employer's Shared Work application is approved, shared work employees must:
 - Submit their unemployment claims on <https://www.twc.texas.gov/jobseekers/unemployment-benefits-services>
 - Be eligible for regular unemployment benefits
 - Accept all work offered by the participating employer
 - Be able and available for work with the employer

Application Process:

- ❖ Complete your Shared Work Plan application – this requires SSN and additional information on each employee participating in the plan.
- ❖ After submitting a work plan, you will be notified by TWC if your plan has been approved or denied.
- ❖ To learn more about this process, go online to: <https://www.twc.texas.gov/businesses/shared-work#applicationProcess>

Reporting Requirements:

- ❖ If approved, you will be required to submit weekly/biweekly to certify the number of hours worked by each participating employee.
- ❖ To learn more about the reporting requirements, go online to: <https://www.twc.texas.gov/businesses/shared-work#employerReportingRequirements>

Example of Participating Employee with 20% Reduction vs. No Reduction

Comparison of TWC Shared Work Program implementation:	Texas Shared Work Program: X% Reduction	No Reduction	Net Benefit/(Deficit) to Employee
Annual Salary:	\$ 55,000	55,000	
Weekly Salary:	\$ 1,058	1,058	
Reduction in Hours & Wages:	20%		
Reduction in weekly salary:	\$ (212)		
Reduced gross weekly salary:	\$ 846	\$ 1,058	212
FICA %:	7.65%	7.65%	
FICA deduction:	\$ (65)	\$ (81)	
Net weekly pay:	\$ 781	\$ 977	195
Texas Regular Unemployment:	\$ 521	-	
COVID additional Unemployment:	\$ 600	-	
Total Weekly Unemployment:	\$ 1,121	-	
Under the Texas Shared Work Program: the percentage Reduction in Hours & Wages is applied solely to the weekly regular unemployment:	20%	-	
Unemployment Benefit received:	\$ 704	-	(704)
Net Weekly Take Home Pay:	\$ 1,486	977	509

* Depending on each facility's situation, the TWC Texas Shared Work Program and the Paycheck Protection Program (PPP) can work in combination.

* Participating employees Maximum Weekly Benefit up to \$1,121 per week in unemployment benefits depending on their weekly salary.

Break Even Point - Comparison of Take-Home Pay Utilizing the Texas Shared Work Program

BREAK EVEN POINT	Texas Shared Work Program:		Net Benefit/(Deficit) to Employee
	x% Reduction	No Reduction	
Annual Salary:	\$ 198,259	198,259	
Weekly Salary:	\$ 3,813	\$ 3,813	
Reduction in Hours & Wages:	20%		
Reduction in Annual salary:	\$ (39,652)		
Reduced gross weekly salary:	\$ 3,050	\$ 3,813	(763)
FICA %:	7.65%	7.65%	
FICA deduction:	\$ (233)	\$ (292)	
Net weekly pay:	\$ 2,817	\$ 3,521	(704)
Texas Regular Unemployment:	\$ 521	-	
COVID additional Unemployment:	\$ 600	-	
Total Weekly Unemployment:	\$ 1,121	-	
Under the Texas Shared Work Program: the percentage Reduction in Hours & Wages is applied solely to the weekly regular unemployment:	20%	-	
Unemployment Benefit received:	\$ 704	-	704
Net Weekly Take Home Pay:	\$ 3,521	3,521	-

