## What is Short-Time Compensation?

STC preserves employees’ jobs and the employer’s trained workforce during disruptions to the employer’s regular business activity. Under STC, an employer reduces hours of work for an entire group of affected employees, rather than laying off some employees while others continue to work full time. STC provides a portion of a weekly unemployment compensation (UC) payment to individuals in the affected group whose workweeks have been reduced. These payments cushion the adverse effect of the reduction in hours on workers and ensures that these workers will be available to resume prior employment levels when business demand increases.

**Short-Time Compensation** (STC), also known as work sharing or shared work, is a voluntary program that provides employers facing a decline in business with an alternative to layoffs.

### Why should employers choose STC?

STC helps employers by enabling them to temporarily reduce payrolls and maintain product and/or service quality levels by keeping skilled work teams in place. STC also prevents an employer from incurring the costs associated with recruiting, hiring, and training new employees when business comes back.

### How will participation in the STC Program affect an employer’s Unemployment Insurance Tax Rate?

The STC benefits paid to workers covered by an STC plan will be charged against an employer’s UI tax account in the same manner that regular UC benefits are charged. For employers that reimburse the state agency for benefits paid to their former workers (such as non-profits and governments), STC payments are treated in the same manner as regular unemployment compensation.

### How does STC help employees?

STC is valuable to employees because they continue to work and earn wages supplemented by a partial unemployment check. Under STC, employees retain their job-related benefits, including healthcare coverage and contributions to employee retirement plans. STC is also a morale booster. By implementing STC, employers are acknowledging that employees are a part of their success, and keeping them on the payroll, even with a reduction, can generate employee loyalty and decrease turnover.

### How does STC Work?

Rather than a portion of employees being fully laid off, employees in the affected unit work a reduced number of hours during the week and receive a portion of their weekly UC payment, based on the percentage of the reduction in hours. This means that they are paid wages for the reduced hours worked, and their pay is supplemented with a portion of their weekly UC payment – giving them more money in their pocket than just reduced pay or only UC benefits.

*Example*: An employee normally works a 40-hour work week. If the employee were laid off and fully unemployed and determined eligible for UC, the individual would receive a weekly UI benefit amount of $270. However, the employer submits an STC plan and the plan is approved. The employee’s work week is reduced by eight hours, or 20 percent.

**How much will the employee receive under the STC plan?**

$270 x 20% = $54 in weekly benefits + wages earned for 32 hours worked

### Where can I find more information

Visit the [STC Community of Practice](https://stc.workforcegps.org/) for more information and the link to your state’s STC website, phone number and/or email address. Or connect directly to your state site below:

[Arizona](https://des.az.gov/services/employment/unemployment-employer/shared-work-program-faqs)

[Arkansas](https://www.dws.arkansas.gov/employers/shared-work-program/)

[California](https://www.edd.ca.gov/Unemployment/Work_Sharing_Program.htm)

[Colorado](https://cdle.colorado.gov/layoff-alternatives)

[Connecticut](https://portal.ct.gov/sharedwork)

[Florida](http://www.floridajobs.org/office-directory/division-of-workforce-services/reemployment-assistance-programs/short-time-compensation-program-for-employers)

[Iowa](https://www.iowaworkforcedevelopment.gov/voluntary-shared-work-program)

[Kansas](https://www.dol.ks.gov/employers/shared-work-program)

[Maine](https://www.maine.gov/unemployment/workshare/)

[Maryland](http://dllr.maryland.gov/employment/worksharing/)

[Massachusetts](https://www.mass.gov/topics/workshare-program)

[Michigan](https://www.michigan.gov/leo/0,5863,7-336-94422_97241_89981_90231_90233_99653---,00.html)

[Minnesota](https://uimn.org/uimn/employers/alternative-layoff/index.jsp)

[Missouri](https://labor.mo.gov/shared-work)

[Nebraska](http://https/dol.nebraska.gov/STC)

[New Hampshire](https://www.nhes.nh.gov/nhworking/stay/index.htm)

[New Jersey](https://careerconnections.nj.gov/resources/sharedwork/shared_work_program.shtml)

[New York](https://dol.ny.gov/shared-work-program-0)

[Ohio](https://jfs.ohio.gov/ouio/SharedWorkOhio/)

[Oregon](https://www.oregon.gov/employ/Businesses/WorkShare/Pages/Work%20Share%20Home%20Page.aspx)

[Pennsylvania](https://www.uc.pa.gov/employers-uc-services-uc-tax/shared-work/Pages/default.aspx)

[Rhode Island](https://dlt.ri.gov/ui/workshare/)

[Texas](https://www.twc.texas.gov/businesses/shared-work)

[Washington](https://esd.wa.gov/SharedWork)

[Wisconsin](https://dwd.wisconsin.gov/uitax/workshare.htm)