



Work-Sharing Brochure

Facing difficult times? What are your options?

When a company faces difficulty beyond its control and is forced to reduce work activity, it may have only two courses of action:

- lay off workers; or
- make an agreement with the affected employees to participate in a Work-Sharing arrangement.

What is Work-Sharing?

Work-Sharing is an adjustment program that enables employers to deal with business cutbacks and still avoid layoffs. Under a Work-Sharing Agreement, the employer shortens the work-week by one to three days and pays reduced wages accordingly. For the hours, days, or shifts not worked, Service Canada arranges for Employment Insurance eligible workers to draw benefits, to help compensate for the lower wages they receive from the employer.

Win-Win situation

Work-Sharing participants...

- avoid the hardship of being laid off; and
- retain their jobs and their work skills.

Work-Sharing employers...

- retain valued, skilled employees; and
- avoid the expense of hiring and training new employees when work activity returns to normal.

Working together

Management and workers must agree to participate in Work-Sharing and apply together.

Representatives of the company and the workers must sign the application and the resulting agreement with Service Canada. Agreements **must** be signed in advance of the start date.

At any time during the period of the Work-Sharing Agreement, the employer, the employees, and/or Service Canada have the right to terminate the agreement.

A temporary measure

Work-Sharing Agreements have a minimum duration of 6 weeks. For applications received as of February 1, 2009, the maximum agreement duration is 52 weeks. This new maximum is one of the provisions included in Budget 2009, and will be in effect until April 3, 2010.

Participation in Work-Sharing does not affect a worker's rights to regular Employment Insurance benefits should they be laid off after the agreement ends.

No waiting period for benefits

Participants do not have to serve a two-week waiting period for Work-Sharing benefits. However, as these benefits are processed through the Employment Insurance payment system, it may take a few weeks for the first cheque to arrive.

Who can participate?

Permanent full-time or part-time employees of a company may participate. In order to receive Work-Sharing benefits, workers must be eligible to receive regular Employment Insurance benefits. A minimum of two employees is necessary for a Work-Sharing agreement.

How can employers qualify?

To be eligible, an employer must have been in year-round business in Canada for at least two years. They must also be able to show that the need for reduced hours is temporary and unavoidable, and is not a seasonal situation.

As part of the application, the employer will produce a recovery plan outlining the steps being taken to ensure the viability of the business during the period of the agreement and to recover as the economy strengthens.

A Work-Sharing Agreement cannot be approved or continued during a labour dispute.

For more information

- **Call** 1-866-891-5319 (TTY: 1-800-926-9105)
- **Click on the website:** [Work-Sharing Program](#)
- **or Visit** your local [Service Canada Centre](#)

