



Wisconsin Work-Share FAQs

WHAT IS WORK-SHARE?

Work-Share is a state program designed to help both employers and employees.

- Instead of laying off employees, a qualified employer can plan to reduce a group of employees work hours temporarily to realize payroll savings. The work unit is “sharing work” by collectively reducing hours to prevent layoffs.
- The affected employees, in turn, become eligible to collect partial unemployment benefits, enabling them to recoup some of the lost pay.

WHY NOW? AND WHY SO FAST?

Work-Share is a way to prevent layoffs and to help the City reach the \$1.2 million furlough target in 2021. The more employees that are in Work-Share, the more we can potentially save.

Timing: On December 27, Congress passed a last-minute COVID support bill, which fully pays for the City’s cost of Work-Share plans and provides participating employees with \$300 weekly. The \$300 for employees ends on March 14, 2021. The window to act is tiny: the City has to move fast to take advantage of this federal support.

Participation: The more employees that participate in Work-Share, the more the City saves.

The City will submit agency/work unit plans to the Wisconsin Department of Workforce Development (DWD) the week of January 11th. The plans must first be approved by the DWD for the Work-Share plans to move forward. We plan to be able to use Work-Share for eight-seven weeks from January 17 or 22 to March 14. Based on the savings we achieve with Work-Share, the City will reassess the need for voluntary or mandatory furloughs in the spring.

How does Work-Share Benefit the City of Madison?

After discussions with employee associations, the Mayor directed all eligible agencies to use Work-Share to help fill the projected \$1.2M City of Madison budget gap. Work-Share offers both cost savings to the City in the form of reduced payroll hours AND a way to compensate employees through that federal stimulus which participating employees will receive in the form of \$300/week federal pandemic unemployment benefits.

How does Work-Share Benefit Employees?

Although employee work hours are reduced under Work-Share (typically 4 hours/week), Work-Share participants will have the opportunity to apply for unemployment benefits that will, in most cases, make up for the reduced payroll hours.

- » **Keep Your Benefits.** Your current City of Madison healthcare elections are not affected.
- » **Receive the Federal Supplement.** Due to the additional \$300 federal supplement that runs through March 14, 2021, some employees may see an increase in weekly earnings while participating in the program.
- » **No Work Search Requirement.** Work-Share participants will not be required to search for work.

- » **Seniority Not Affected.** City seniority will not be impacted by Work-Share.
- » **Retain Vacation and Sick Time.** Vacation and Sick Time are not affected.

HOW LONG MUST I HAVE WORKED FOR THE CITY OF MADISON BEFORE ELIGIBILITY?

Employees must have been employed for at least three months on the effective date of the Work-Share program.

IS WORK-SHARE EQUAL TO 100% UNEMPLOYMENT?

No, the employee work schedule is reduced by a set percentage and through Work-Share, the employee will receive the equivalent percentage of the unemployment they would otherwise receive based on their salary. The equivalent percentage of unemployment is not the same as the equivalent of their current wage.

WHAT IF I DON'T HAVE ACCESS TO A COMPUTER TO FILE WORK-SHARE OR OTHER REPORTING?

Contact unemployment at (414) 435-7069 or toll-free (844) 910-3661 during business hours to file by phone. Please note the following:

- » If your last name begins with **letter A to M** please call: Monday – Friday, **7:00 AM – Noon**.
- » If your last name begins with **letter N to Z** please call: Monday – Friday, **Noon – 5:00 PM**.

CAN I FILE MY UNEMPLOYMENT CLAIM ON WORK TIME?

No. Employees should file claims on their own time such as lunch, breaks, or outside of business hours online. Filing a claim is all online and or can be done by phone.

HOW ARE MY CITY OF MADISON BENEFITS AFFECTED?

Health Insurance Premiums: 2021 elections not changed by participation in Work-Share.

Wisconsin Retirement System (WRS) Earnings: Reduced hours mean reduced WRS-eligible earnings. Participation in Work-Share will reduce the amount of employee and employer contributions to your WRS Account. Under WRS rules, full-time employees must work at least 1,845 hours (staff working 7.75 hour days) or at least 1,904 hours (staff working 8 hour days) in a year to qualify for a full year of service for retirement calculations.

If an FTE works approximately 2,015 annually (77.5 hrs X26 pay periods) or 2080 hours annually (80hrs X 26 pay periods) then the difference to qualify for full year of service is 270 hours or 176 hours. A 10% reduction in hours weekly or 4 hours a week for 8 weeks should not disqualify employees from full year of service.

If you are concerned about the impact of reduced City earnings and Wisconsin Retirement System (WRS) contributions due to participation in Work-Share, you may want to discuss your options with a financial planner or advisor - points of discussion to consider may include supplementing reduced mandatory WRS contributions with additional voluntary WRS contributions, additional 457 deferred compensation account contributions, and/or IRA contributions. Both of the City's 457 Plan's third party administrators ([ICMA-RC](#) and [Lincoln/ABG/EPIC](#)) offer financial planning/advising services, though there may be additional fees for using certain services - contact a 457 Plan representative for more details.

Use WRS Retirement Benefits Calculator:

<https://etfonline.wi.gov/ETFCalculatorWeb/etf/internet/member/ETFretirementcalinput.jsp>

Additional Contribution Option: Employees may make additional contributions to ETF directly:

<https://etf.wi.gov/retirement/saving-retirement/increase-your-retirement-benefit/additional-contributions>. We do not offer payroll deductions for these additional contributions.

Seniority: Not affected by Work-Share participation.

Vacation and Sick Time: Not affected by Work-Share participation

AM I ALLOWED TO WORK MORE THAN THE SCHEDULED AMOUNT OF HOURS AS ESTABLISHED IN THE WORK-SHARE PROGRAM?

No. Employees in a Work-Share program must only work the number of scheduled hours per the Work-Share Program. If departmental needs change, the Department must report the change to DWD and may have to modify the Work-Share application as determined by the Department of Workforce Development (DWD).

WHAT IS THE \$300 PER WEEK SUPPLEMENTAL?

Under the Continued Assistance Act of 2020 (known earlier as the Emergency Coronavirus Relief Act), there is an additional \$300 weekly benefit payable to any employee eligible to receive unemployment benefits due to reductions in work hours under an approved Work-Share Plan with the DWD. This ensures that City employees will recoup some or more than weekly salaries for the duration of the Work-Share or the work hours reductions anticipated to last not later March 14, 2021.

IS WORK-SHARE AND UNEMPLOYMENT INSURANCE TAXABLE?

Yes. UI is counted as income and taxed on individual tax returns.

ARE WORK SEARCHES REQUIRED FOR WORK-SHARE EMPLOYEES?

No, but employees must file an unemployment application and weekly certification.

HOW MUCH COMPENSATION CAN INDIVIDUALS RECEIVE IN WORK-SHARE AND UNEMPLOYMENT INSURANCE BENEFITS AS A RESULT OF THE CARES ACT?

The Act provides an additional federally funded \$300 per week on top of the weekly benefit amount determined by the state. This additional \$300 per week is taxable and will expire the week ending March 14, 2021.

IS IT POSSIBLE FOR INDIVIDUALS TO RECEIVE MORE IN UI BENEFITS THAN THEY RECEIVED IN THEIR NORMAL PAYCHECK?

The additional \$300 in weekly benefits is designed to recoup reduced hour wages and some may temporarily receive more income than their normal paycheck.

WHERE CAN I GET MORE INFORMATION ABOUT FILING FOR UNEMPLOYMENT?

Employees can file for unemployment benefits online at: <https://dwd.wisconsin.gov/uiben/apply>.

WILL WORK-SHARE IMPACT MY SENIORITY PERIOD.

No.

WILL WORK-SHARE IMPACT MY PROBATIONARY PERIOD?

No. HR has determined that hours reduced by Work-Share will be an exception and not would not extend a probation period.

DWD WEBSITE STATES YOU HAVE TO WORK FOR 32 HOURS A WEEK TO QUALIFY FOR UNEMPLOYMENT BENEFITS, IS THIS TRUE?

The 32 hours and \$500 weekly maximums do not apply to Work-Share. The Work-Share benefits are calculated by applying the percentage reduction (e.g., 10%) to the maximum UI payment (for most employees, that will be \$370/week). As such, for an employee with a 10% reduction in hours, the Work-Share benefit will be \$37/week. The \$300 FPUC is added to this amount.

I AM PLANNING TO RETIRE SOON (APPROXIMATELY 3 YEARS OR LESS) HOW WILL WORK-SHARE IMPACT WRS?

If an employee is planning to retire in the next three years, the reduction in salary and WRS contributions could impact their post retirement income. WRS calculates retirement using the employees three highest years of earnings and related service. Please consult your financial planner and calculate the impact.

WRS Retirement Benefits Calculator:

<https://etfonline.wi.gov/ETFCalculatorWeb/etf/internet/member/ETFretirementcalcinput.jsp>

I HAVE ANOTHER JOB OR OTHER SOURCE OF INCOME, DO I STILL QUALIFY FOR WORK-SHARE BENEFITS?

If employees in a Work-Share plan work more than the reduced hours or if an employee has a second job in a week the employee may not be eligible for Work-Share benefits, including the \$300 FPUC, for that week. This may include military benefits. Please email DWD directly to inquire about your specific situation. Please contact a DWD claims specialist at (414) 435-7069.

CAN I CASH OUT COMP TIME DURING A WEEK I AM PARTICIPATING IN WORK-SHARE?

Employees may use comp time or any other regular leave type while on Work-Share. Employees would reduce the number of hours used in order to still reflect the appropriate time reduction. If you cash out comp time, and this increases your pay beyond your normal work week value, it will most likely result in ineligibility for unemployment benefits. You must only work the approved reduced hours associated with the approved plan.

WHY CAN'T EMPLOYEES GIVE BACK THEIR FLOATING HOLIDAYS INSTEAD OF PARTICIPATING IN WORK-SHARE?

Unfortunately, giving back floating holidays does not reduce the amount an employee is paid in a given year, it only reduces the amount of time an employee has off. For example, if the City pays an employee to work 32 hours of time worked and gives 8 hours of floating holiday, the City still pays the employee for 40 hours. If we then take away those 8 hours of floating holiday, the employee will have to work forty hours, and we are still paying 40 hours. The federal government pays for the Work-Share benefits.

CAN I WORK THE ELECTIONS WHILE ON WORK-SHARE?

If you are on a Work-Share plan with reduced hours in a given week, and are going to be working the election, the hours you work performing any election related responsibilities need to be included in your total hours for the week, and still cannot exceed 90% of your normal work hours. For example, if I am a 40 hour per week employee, I am on a 10 percent reduction (4 hours), and I am working a full 8 hour days providing paid election support, I should not work more than 28 hours at my regular job for that week, for a total of 36 hours.

GLOSSARY OF COMMON TERMS

- Layoffs are a suspension or permanent termination of employment of an employee or, more commonly, a group of employees for business reasons.
- Furloughs are short-term or temporary layoffs.
- Work-Share is a Federal funded spread of the work benefit to avoid layoffs.
- Vacation and Floating Holidays are a benefit to employees and a financial liability for the City.