

March 21, 2020

## Texas Workforce- Unemployment -More Information

### **Shared Work Program (Reduction in Employee's Hours)**

The Shared Work program provides Texas employers with an alternative to layoffs. TWC developed this voluntary program to help Texas employers and employees withstand a slowdown in business. Shared Work allows employers to:

- Supplement their employees' wages lost because of reduced work hours with partial unemployment benefits.
- Reduce normal weekly work hours for employees in an affected unit by at **least 10 percent but not more than 40 percent**; the reduction must affect at least 10 percent of the employees in that unit.

Remember that reductions in pay can't go below \$684.00 a week for exempt employees and \$7.25 an hour for non-exempt employees.

Shared Work does not subsidize a seasonal employer during the off-season.

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. (Source: Texas Workforce Commission Internet site: <https://twc.texas.gov/businesses/preventing-managing-layoffs>)

### **Layoffs**

This category of work separation was the one that lawmakers had in mind when the unemployment insurance system was created. A laid-off employee will qualify for unemployment benefits on the basis of the work separation, but still has to meet other qualification and eligibility requirements in order to draw benefits. Temporary plant shutdowns and **unpaid furloughs** are generally considered types of layoffs. (Source: Texas Workforce Commission-*"Especially for Texas Employers"*)

The above information should not be construed as legal advice.