

WORK-SHARING PROGRAM

EMPLOYEE ANNEX

Instructions and Information for Employees

This section contains helpful information employees need in order to participate in a Work-Sharing agreement.

Please read all the information provided and discuss it with your employer. **PLEASE KEEP** this document as you may need it throughout the term of the agreement.

Work-Sharing is a three-party agreement between employers, employees and Service Canada.

Applying for a Work-Sharing Agreement

To apply for Work-Sharing an employer must provide:

- a **completed application form** (including attachments and signatures of both employer representative(s) and employee representative(s);
- a **recovery plan**; and,
- a list of employees included in the **Work-Sharing unit**.

All information with respect to applications will be kept confidential.

A formal application for Work-Sharing must be received by Service Canada at least 30 days in advance of the requested start date of the agreement.

The Work Shortage and Duration of Agreements

- Employers must show that the work shortage is temporary and beyond their control. (The program is not intended to support companies during an expected seasonal slowdown.)
- The decrease in business activity must be significant enough to warrant support of the program.
- The average reduction in working time must be between 10% and 60% of the employees' normal working hours.
- Work-Sharing agreements cannot be put in place in instances where the reduction of work is related to a labour dispute.
- Work-Sharing agreements must have a minimum duration of 6 weeks. The maximum initial duration is 26 weeks with a possible extension of up to 12 weeks.

Employer Responsibilities

- The employer must report the total hours worked, the hours of work missed due to participation in Work-Sharing and the hours of work missed due to any other reasons for each employee via a weekly Utilization Report;
- The employer must identify the individuals to be included in the Work-Sharing unit(s). The Work-Sharing unit must consist of two or more people. The program is intended to cover "core staff" only (i.e. year-round permanent full-time/part-time employees);
- Outside sales representatives, senior managers, executive level marketing and sales agents and others who are needed to generate work should not be included in the Work-Sharing unit;
- Employers are not allowed to add or remove employees from the Work-Sharing unit without prior consent from Service Canada; and,
- The employer must maintain all existing employee benefits (e.g. health/dental insurance, pension benefits, vacation, group disability, etc.) for the duration of the Work-Sharing agreement. **However, benefits (including any subsequent payout of benefits, e.g. disability benefits) may be reduced**

due to participation in a WS agreement if calculated based on earnings or hours of work.

Employee Conditions

- Employees must be eligible for Employment Insurance benefits to participate in the Work-Sharing program;
- Work-Sharing benefits are paid based on employees' loss of normal hours of work. Work-Sharing benefits are also based on the regular weekly Employment Insurance benefit rate, as calculated at the start of the Work-Sharing agreement;
- For the duration of the Work-Sharing agreement, the employer may request that an employee work on a Work-Sharing day. The employee is required to report to work;
- Earnings received in any week by an employee shall not be deducted from the Work-Sharing benefits payable. Earnings received from sources other than the Work-Sharing employer will be deducted from the employee's weekly Work-Sharing benefits in the following way:
 - If the earnings received are less than the Earning Threshold (i.e. 90% of the Weekly Insurable Earnings [WIE] used to calculate the Employment Insurance claim), 50% of the earnings will be deducted from any Work-Sharing benefits payable.
 - If the earnings received are more than the Earning Threshold but less than the WIE, 50% of the earnings up to the Earning Threshold will be deducted as well as 100% of the earnings over the Earning Threshold.
 - If the earnings received are equal to or greater than the WIE, no benefits will be payable.
- Statutory holidays occurring within a Work-Sharing period are not compensated by Employment Insurance benefits and are the responsibility of the employer;
- Employees will have the option of completing claimant reports or of completing an "Exemption from Completing Employment Insurance Report Cards" and simply advising Service Canada if special conditions apply (e.g. working for another employer or outside Canada);
- Employees will be expected to apply via Appli-Web and must use the reference code provided to them on the "Important Notice for Work-Sharing Employees" form; and,
- Employees will have their claim established in the province where their employer is located. Employees whose claim is set up outside the province in which they reside must use the employer's postal code when accessing [My Service Canada Account](#). In the event employees contact the Employment Insurance call center, they must identify in which province they work.

Waiting Period

- Employees do not have to serve a waiting period for Work-Sharing benefits.
- Benefits are processed through the Employment Insurance payment system, meaning it may take up to 28 days after the employee Records of Employment are received for the first cheque to arrive. (Benefits can only be paid if the employer submits the weekly Utilization Reports.)

Taxation

Tax deductions for Employment Insurance Work-Sharing benefits are determined from the information the claimant provides in the Income Tax section of the Employment Insurance application; the amount of tax deducted is specific to the claimant's province, personal tax situation and benefit rate.

The Employment Insurance benefits received by Work-Sharing participants are taxable, however because of the weekly amount of benefits paid, taxes are not always withheld at source. Participants may wish to have their income tax deductions increased in order to avoid having to pay a large amount of income tax at year-end. This request can be made by phone at the toll-free number: 1-800-206-7218, TTY: 1-800-529-3742. For faster service, always give us your Social Insurance Number (SIN).

At the time the participant files their income tax return, depending on their net income, they may be required to repay some of the Employment Insurance benefits received. Benefit repayment requires claimants with a net yearly income exceeding a specified threshold to repay a percentage of the Employment Insurance regular benefits received during the tax year.

Example:

If your 2016 net income from all sources exceeds \$63,500 you will be required to repay 30% of the lesser of:

- your net income in excess of \$63,500; or
- the total regular benefits, including regular fishing benefits, paid in the taxation year.

Exemptions apply in certain circumstances. For more information on repayment of benefits at income tax time please visit: [Employment Insurance and Repayment of Benefits at Income Tax Time – Year 2016.](#)

Employee Layoffs

- If the business does not recover as expected and an employee is laid off during or at the end of a Work-Sharing agreement, the employee can apply to transfer their claim to regular benefits. That claim duration would be extended by the number of weeks of Work-Sharing.
- Normally, the benefit rate and the normal duration of the claim is not reduced by Work-Sharing.

Bi-Weekly Report Cards

Employees can 'opt out' of completing bi-weekly report cards by agreeing to allow their employer to report their hours worked on their behalf (i.e. exemption reporting). When an employee applies via Appli-Web, they will be presented with an Exemption from Completing Employment Insurance Report Cards question and if they choose to take part in exemption reporting they will advise Service Canada if special conditions apply. If an employee is not applying via Appli-Web, the employer will provide this form when the agreement is set-up. This form must be completed and returned immediately to their employer who will forward all forms together to Service Canada.

Employees who choose not to participate in exemption reporting will be required to complete bi-weekly reports cards. The payment of their Work-Sharing benefits will be based on these bi-weekly report cards in addition to the Utilization Report completed by the employer.

Employees who decide to complete report cards:

There are situations where it would be to your advantage to complete report cards in order to avoid the payment of benefits for which you are not entitled (i.e. overpayments). These situations are listed below:

- moneys received from another employer;
- work for another employer;
- self-employment; and,
- outside of Canada.

For instructions on how to complete your report cards, please refer to the tables below:

Bloc	Description
1a	Answer NO unless you worked for another employer, in which case you must answer YES.
1b	<ul style="list-style-type: none"> • if NO, indicate the Work-Sharing employer name; • if YES, indicate the name and address of the other employer (must be different than Work-Sharing employer). The total hours/dates worked/paid and earnings from that employment must be provided in the Blocks A and C of side 2.
2	Answer NO, unless you started a full time job with an employer other than your Work-Sharing employer, in which case you must answer YES and provide the name of the new employer.
3	If you are attending a course of instruction, you must declare total hours attended and any amount of training allowances in Block D of side 2.
4	Answer YES, unless you were on vacation, sick or unavailable for any days covered by the report, in which case you must answer NO. If you were outside Canada during the period covered by the report, you must indicate dates and "Outside Canada".
5	Answer NO, unless you received monies other than wages or salary from your Work-Sharing employer.

Report card - Side 2

Block	Description
A	Total hours and dates worked/paid for an employer other than your Work-Sharing employer, including overtime hours, paid sick leave, paid vacation or any other paid leaves.
B	Indicate Work-Sharing Employer Name.
C	Total earnings before deductions from employer(s) other than Work-Sharing employer for hours and dates as shown in block A.
D	Training allowance, if applicable.
E	Group sickness/maternity insurance/disability plan, if applicable.
F	Other monies received not already declared in block A and C and not from the Work-Sharing employer.

Both sides of the card must be completed and the front of each card must be signed and dated.

Family Orders and Agreements Enforcement Assistance Act

Family financial support orders, when unpaid, can be deducted from the Work-Sharing benefits according to the Family Orders and Agreements Enforcement Assistance Act and its Regulations.

For more information on the Work-Sharing program:

- Employers across Canada may call toll-free 1-800-367-5693 (TTY: 1-855-881-9874)
- Employees across Canada may call toll-free:
 - English: 1-800-206-7218 (TTY: 1-800-529-3742)
 - French: 1-800-808-6352 (ATS: 1-800-529-3742)