

## Work-Sharing Program

Many of our clients will find the Work-Sharing Program worth considering. It allows employers to temporarily reduce hours for a group of employees in order to avoid layoffs during a time like this, reducing hours between 10-60% while keeping all or some of your workforce intact. The government will provide EI benefits for the outstanding balance of your employees hours for up to 76 weeks. Both the employer and employee must agree upon the temporary arrangement.

All necessary application paperwork and fax details are included. If this program sounds beneficial, see detailed information below.

Temporary special measures to the Government of Canada's Work-Sharing Program have been put in place due to the downturn in business caused by COVID-19.

Work-Sharing is in place to help employers and employees avoid layoffs when there is a temporary decrease in business activity beyond the control of the employer. The program provides EI benefits to eligible employees who agree to reduce their normal working hours and share the available work while their employer recovers. A work-sharing unit must reduce its hours by at least 10% (one half day) and up to 60% (three days).

If, for example, you have ten employees but only enough work for six, rather than terminating four employees you can put all ten on a three-day Work-Share Program. The employer will then compensate the employees for three days a week, while the government provides EI coverage for two.

Work-Sharing agreements have been extended by an additional 38 weeks, now totalling 76 weeks. Mandatory waiting periods have also been waived so that employers with recently expired agreements can immediately apply for a new agreement without waiting between applications and to ease recovery plan requirements.

To be eligible for a WS agreement, your business must:

- be experiencing a recent decline in business activity of at least 10%
- be experiencing a recent decline in business activity directly or indirectly related to the impact of COVID-19
- demonstrate that the shortage of work is temporary, beyond your control and not a cyclical/recurring slowdown
- be a year-round business in Canada for at least two years
- be a private business, a publicly held company or a not-for-profit organization
- have at least two employees in the WS unit
- be willing to implement a recovery plan to support the on-going operations and viability of the business

To be eligible for WS, your employees must:

- be year-round, permanent, full-time or part-time employees needed to carry out the day-to-day functions of the business (your "core staff")
- be eligible to receive EI benefits
- agree to reduce their normal working hours by the same percentage and to share the available work

Attached are the applicant guide and necessary application forms. An application for a Work-Sharing agreement must be submitted a minimum of 30 days prior to the requested start date. To apply in Ontario, you must submit the application by fax to 1-866-720-6094.

The applicant guide is available online at [2017 Work-Sharing temporary special measures for forestry sector downturn - Canada.ca](http://2017-Work-Sharing-temporary-special-measures-for-forestry-sector-downturn-Canada.ca)

Here are some documents that may be useful for you:

[WORK SHARING APPLICATION GUIDE](#)

[RECOVERY PLAN TEMPLATE](#)

[APPLICATION FOR A WORK SHARING AGREEMENT](#)

[WORK SHARING UNIT](#)

Please reach out to [one of our partners](#) for more information.

A subsidy received from a government is considered taxable income. Eligible employers who receive this benefit are required to include the amount as income in the year it is received. Presumably, non-profit organizations and charities will not have to pay tax on the benefit received because they are generally exempt from income tax.

This link from the CRA provides additional information: [Frequently Asked Questions – Temporary Wage Subsidy for Employers - Canada.ca](#)

We are happy to help if you have implementation questions. Please reach out to [one of our partners](#) for more information.