

## A Way to Have Your Cake and Eat it, Too!

By Rick Pay

Many companies are looking for ways to cut costs without laying off valuable employees. The State of Oregon can help to achieve these objectives. Many of my clients have not been aware of the Work Share program which allows employers to cut costs by up to 40% while helping employees maintain most of their pre-layoff wages.

An article in the April 7, 2009 Oregonian said that many companies are avoiding layoffs during this difficult economic time because they put the company at a disadvantage when the economy normalizes.

Specialized skills and strong customer relationships are hard to maintain, not to mention the drag on morale that layoffs can cause. The future costs of rehiring and training can be significant.

One solution is to cut hours with Work Share. In this program, employees can be laid off for at least 20% and not more than 40% of their normal hours and the State of Oregon will pay a large portion of their lost wages. The program, around since the mid-1980s, requires the employer to submit a simple plan listing at least three employees that will participate

in the program. The primary advantage is that it allows employers to maintain a quality workforce while helping the employees



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maintain close to their pre-layoff wages. The disadvantage is that it runs only 26 weeks, and counts against the employees' unemployment benefits if there is a more permanent lay-off down the road. Employers have to reimburse the fund in the same way they do for regular layoffs.

To find out more about this program, contact the State of Oregon Employment Department (Washington has a similar program) and ask for the Work Share Program.

## **Resources for applying this approach to your business:**

### **State of Oregon:**

Work Share Unit: 800-237-3710, ext. 71649

[www.employment.oregon.gov/EMPLOY/UI/EMPLOYER/Work\\_Share\\_Updated.shtml](http://www.employment.oregon.gov/EMPLOY/UI/EMPLOYER/Work_Share_Updated.shtml)

### **State of Washington:**

Work Share Information: 800-752-2500

[www.esd.wa.gov/uibenefits/faq/shared-work.php](http://www.esd.wa.gov/uibenefits/faq/shared-work.php)

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