



## THE WORK-SHARING PROGRAM

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The Work-Sharing Program is available to address situations of a temporary reduction in the normal level of business activity that results from factors beyond the control of the employer; COVID-19 being an example of such a factor.

A work-sharing is a temporary adjustment program designed to help employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity that is beyond the control of the employer. The arrangement, if approved by Service Canada, provides income support to eligible employees who work a temporarily reduced work week during the employer's recovery period.

A work-sharing is a three-party agreement involving employers, employees and Service Canada. Employees on a Work-Sharing agreement must agree to a reduced schedule of work and to share the available work over a specified period of time.

The initial Work-Sharing Agreement must be at minimum six (6) consecutive weeks long and can last up to 26 consecutive weeks, with the option to extend by another 12 weeks, for a total of 38 weeks.

For Work-Sharing Agreements signed as of March 15, 2020, an additional 38-week extension can be applied for, bring the maximum total duration to 76 weeks.

All extensions must be applied for at least 30 days prior to the end of the Work-Sharing Agreement.

There are eligibility conditions and restrictions. Below is a brief outline of the eligibility criteria.

### Eligibility – Employers

To be eligible for a work-sharing agreement, employers must:

- be a publicly held company, a private business or a not-for-profit organization;
- have been in year-round business in Canada for at least **two years**;
- **demonstrate a recent decrease** in business activity of approximately **10%**;
- demonstrate that the work shortage is **temporary** and **beyond their control**, and is **not a cyclical/recurring slowdown**;
- Have a Work-Sharing Unit of at least two (2) employees; and,
- submit and implement a recovery plan designed to return the work-sharing unit(s) to normal working hours by the end of the work-sharing agreement. There must be a reasonable expectation that recovery (i.e. a return to normal working hours for all participating.

Employers will be considered **ineligible** where their reduction in business activity is related to:

- a labour dispute (strike, lockout etc.)
- seasonable shortage of work or other reoccurring production slowdowns
- an increase in the workforce (e.g. having increased workforce from 50 to 100 employees and then not having enough work for them all)

### Eligibility – Employees

Only **employees** who work year round (full time or part time), who would normally be eligible for Employment Insurance benefits, and who agree to a reduction in their normal working hours and to share the hours among the work-sharing unit **are eligible** for the Workshare program.

Seasonal employees, students hired for a summer or co-op term, casual or on-call employees, and shareholder-employees (who control more than 40% of the voting shares of a company) are **not eligible** for the Workshare program. Additionally, the Work-Sharing unit should not include employees who are required to generate work or employees who are essential to the recovery of the business (e.g. senior management, executive level marketing/sales agents, outside sales representatives technical employees engaged in product development, etc.).

Supervisors and managers are however eligible to participate and may be included in the Work-Sharing unit, so long as they are not involved in the determination of the direction of the company.

### COVID-19 Modifications to the Work-Share Program

Temporary special measures have been put in place in response to COVID-19 and are effective March 15, 2020 – March 14, 2021.

These measures include :

- Possibility of a 38-week extension for a total of 76 weeks;
- Waiving the mandatory waiting period between Work-Sharing Agreements so that employers with recently expired agreements may immediately apply for a new agreements
- Easing the Recovery Plan requirements for the duration of the Work-Sharing Agreement (See Annex 2: Recovery Plan for Special Measures)

These temporary measures will apply to employers experiencing a downturn in business activity due to COVID-19 and have:

- Work-Sharing Agreements signed between March 15, 2020 and March 14, 2021;
- Work-Sharing Agreements that began, or ended between March 15, 2020 and March 14, 2021;
- Work-Sharing agreements that ended between June 23, 2019 and March 14, 2020 and are in their mandatory cooling off period.

Only **employees** who work year round (full time or part time), who would normally be eligible for Employment Insurance benefits, and who agree to a reduction in their normal working hours and to share the hours among the work-sharing unit **are eligible** for the Workshare program.

### Applying for a Work-Share Agreement – First Time Applicants

To apply for the Work-Sharing Program, you must fill out the application and two annexes.

For employers experiencing a downturn in activity due to COVID-19, instructions for how to fill in each box of these applications can be found at Annex A of the updated Application Guide website: <https://www.canada.ca/en/employment-social-development/services/work-sharing/guide-applicant.html#haa>.

The completed application must be sent a minimum of 30 days before the requested start date. This 30 day waiting period seems to still be in effect but may change as the situation progresses. We are monitoring updates to the program.

The Government now appears to be accepting applications for Quebec employers by email to the following address: [QC-DPMTDS-LMSDPB-TP-WS-GD](mailto:QC-DPMTDS-LMSDPB-TP-WS-GD)