

96.40 Voluntary shared work program.

1. An employer who wishes to participate in the shared work unemployment compensation program established under [this section](#) shall submit a written shared work plan in a form acceptable to the department for approval.

a. As a condition for approval by the department, a participating employer shall agree to furnish the department with reports relating to the operation of the shared work plan as requested by the department.

b. The employer shall monitor and evaluate the operation of the established shared work plan as requested by the department and shall report the findings to the department.

2. The department may approve a shared work plan if all of the following conditions are met:

a. The employer has filed all reports required to be filed under [this chapter](#) for all past and current periods and has paid all contributions due for all past and current periods.

b. The plan certifies that the aggregate reduction in work hours is in lieu of layoffs which would have affected at least ten percent of the employees in the affected unit or units to which the plan applies and which would have resulted in an equivalent reduction in work hours. The employer provides an estimate of the number of layoffs that would occur absent participation in the program. "*Affected unit*" means a specified plant, department, shift, or other definable unit.

c. The employees in the affected unit are identified by name and social security number and consist of at least five individuals.

d. The shared work plan reduces the normal weekly hours of work for an employee in the affected unit by not less than twenty percent and not more than fifty percent with a corresponding reduction in wages.

e. The reduction in hours and corresponding reduction in wages must be applied equally to all employees in the affected unit for each week reported.

f. The plan provides that fringe benefits will continue to be provided to employees in affected units as though their workweeks had not been reduced or to the same extent as other employees not participating in the program. "*Fringe benefits*" means employer-provided health benefits and retirement benefits under a defined benefit plan or a defined contribution plan pursuant to the Internal Revenue Code.

g. The plan will not serve as a subsidy of seasonal employment during the off season, nor as a subsidy of temporary part-time or intermittent employment.

h. The employer certifies that the employer will not hire additional part-time or full-time employees for the affected work force while the program is in operation.

i. The duration of the shared work plan will not exceed fifty-two weeks.

j. The plan is approved in writing by the collective bargaining representative for each employee organization or union which has members in the affected unit, and the plan provides for notification to employees in advance of participation.

k. Participation by the employer shall be consistent with applicable federal and state laws.

l. The reduction in work hours for employees was not based on a work week exceeding forty hours.

3. The employer shall submit a shared work plan to the department for approval at least thirty days prior to the proposed implementation date.

4. The department may revoke approval of a shared work plan and terminate the plan if the department determines that the shared work plan is not being executed according to the terms and intent of the shared work unemployment compensation program, or if it is determined by the department that the approval of the shared work plan was based, in whole or in part, upon information contained in the plan which was either false or substantially misleading.

5. Approval of a shared work plan shall be revoked if the employer lays off any employee, whether the employee is employed within an affected unit or not, while participating in the shared work unemployment compensation program.

6. An employer may file an appeal in writing from a denial or approval of a plan or

revocation of an approved plan by the department within thirty days from the date of the decision.

7. An individual who is otherwise entitled to receive regular unemployment compensation benefits under [this chapter](#) shall be eligible to receive shared work benefits with respect to any week in which the department finds all of the following:

a. The individual is employed as a member of an affected unit subject to a shared work plan that was approved before the week in question and is in effect for that week.

b. The individual is able to work, available for work, and works all available hours with the participating employer.

c. The individual's normal weekly hours of work have been reduced by at least twenty percent but not more than fifty percent, with a corresponding reduction in wages.

8. The department shall not deny shared work benefits for any week to an otherwise eligible individual by reason of the application of any provision of [this chapter](#) which relates to availability for work, active search for work, or refusal to apply for or accept work with an employer other than the participating employer under the plan.

9. The department shall pay an individual who is eligible for shared work benefits under [this section](#) a weekly shared work benefit amount equal to the individual's regular weekly benefit amount for a period of total unemployment, less any deductible amounts under [this chapter](#) except wages received from any employer, multiplied by the full percentage of reduction in the individual's hours as set forth in the employer's shared work plan. If the shared work benefit amount calculated under [this subsection](#) is not a multiple of one dollar, the department shall round the amount so calculated to the next lowest multiple of one dollar. An individual shall be eligible for shared work benefits for any week in which the individual performs paid work for the participating employer for a number of hours equal to not less than twenty percent and not more than fifty percent of the normal weekly hours of work for the employee.

10. An individual shall not be entitled to receive shared work benefits and regular unemployment compensation benefits in an aggregate amount which exceeds the maximum total amount of benefits payable to that individual in a benefit year as provided under [section 96.3, subsection 5, paragraph "a"](#).

11. a. All benefits paid under a shared work plan shall be charged in the manner provided in [this chapter](#) for the charging of regular benefits.

b. An employer may provide as part of the plan a training program the employees may attend during the hours that have been reduced. Such a training program may include a training program funded under the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128. If the employer is able to show that the training program will provide a substantive increase in the workplace and employability skills of the employee so as to reduce the potential for future periods of unemployment, the department shall relieve the employer of charges for benefits paid to the individual attending training under the plan. The employee may attend the training at the work site utilizing internal resources, provided the training is outside of the normal course of employment, or in conjunction with an educational institution.

12. An individual who has received all of the shared work benefits and regular unemployment compensation benefits available in a benefit year shall be considered an exhaustee, as defined in [section 96.1A, subsection 18](#), for purposes of the extended benefit program administered pursuant to [section 96.29](#).

13. A part-time employee shall be eligible for shared work unemployment compensation program benefits, provided that the employee meets all other requirements in [this section](#).

[91 Acts, ch 197, §1; 94 Acts, ch 1066, §7; 96 Acts, ch 1186, §23; 97 Acts, ch 38, §5; 2008 Acts, ch 1032, §201; 2009 Acts, ch 22, §7; 2009 Acts, ch 179, §111, 112; 2010 Acts, ch 1110, §1; 2014 Acts, ch 1034, §1 – 4; 2020 Acts, ch 1062, §91; 2020 Acts, ch 1088, §2 – 5; 2021 Acts, ch 76, §25; 2022 Acts, ch 1136, §8, 9](#)

2020 amendments to subsection 2, paragraph e, and subsections 6 and 11 apply to all voluntary shared work plans approved by the department of workforce development on or after July 1, 2020; 2020 Acts, ch 1088, §5