

# SHORT-TIME COMPENSATION PROGRAM

## *Fact Sheet: An Overview for Employers*

### ***What is Short-Time Compensation (STC)?***

- STC is a voluntary layoff aversion program.
- STC allows workers to remain employed and employers to retain trained staff during times of reduced business activity.
- Eligible employees covered by an approved STC plan receive a percentage of their normal unemployment benefits while they work a reduced schedule.
- STC cushions the adverse effects of an economic downturn on employers by ensuring trained staff will be available to resume full-time work when business demand increases.

### ***Why Participate in STC?***

- STC offers employers an alternative to layoffs.
- Employers can reduce employee work hours to reflect the decrease in business, retain their skilled workforce, and avoid the high costs of recruiting, hiring, and training new employees when business needs increase.
- Employers determine business demands and reduce affected employees' hours in a uniform manner, between 10% - 60%.
- Employees avoid the hardships of a total layoff while continuing to earn a portion of their regular wages.
- Employees, who are otherwise eligible for unemployment benefits, can receive a percentage of their unemployment benefit amount to supplement lost wages.

### ***How Does STC work?***

- An employer wishing to participate in the STC program will need to submit an STC plan to WorkForce WV by going to: <https://uc.workforcewv.org/consumer/?lang=en>
- The employer will need to be prepared to answer the following questions:
  - Employer's unemployment tax account number
  - Proposed date to start and end the plan.
  - Affected unit that will be covered by the plan.
  - Number and percentage of employees in the unit that will be covered by the plan.
  - Estimate of how many jobs will be saved by using the STC program.
  - The percentage of hours, between 10% - 60%, that will be reduced during all weeks covered by the plan.
  - How the employer plans to notify employees, including those covered under a collective bargaining agreement, of the plan. If advanced notice is not possible an explanation must be provided.

- The first date that hours were or will be reduced.
- Name, social security number, and regular weekly hours of each employee that is to be covered by the plan.
- Any other information required by WorkForce West Virginia.

The employer must also certify:

- Affected employees were hired on a permanent basis.
- A minimum of two employees are in the affected unit
- Health benefits will continue to be provided under the same terms and conditions as though the employee's usual weekly hours of work were not reduced unless health benefits are changed for all employees.
- Retirement benefits and contributions under defined plans will continue to be provided under the same terms and conditions as though the employee's usual weekly hours of work were not reduced unless retirement benefits and contributions are changed for all employees.
- Paid vacation, holidays, and sick leave will continue to be provided under the same terms and conditions as though the employee's usual weekly hours were not reduced.
- This aggregate reduction in work hours is in lieu of layoffs.
- New employees will not be hired in or transferred to an affected unit for the duration of the STC plan.
- STC will not be used to subsidize seasonal employees during the off season, temporarily part-time employment, or intermittent employment.
- The participation and implementation of the plan is consistent with the employer's obligations under applicable federal and state law.
- If there are any changes to the information on this application or employee list, the employer will notify STC staff immediately.
- The employer will furnish reports to the commissioner relating to the proper conduct of an STC plan.
- The employer will allow the commissioner access to all records necessary for the agency to implement the STC plan, and which are consistent with the requirements for plan applications.
- Any other provision added to the application by the commissioner that the U.S. Secretary of Labor determines to be appropriate for purposes of an STC plan.

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## ***How to Apply?***

- You may apply online at: <https://uc.workforcewv.org/>.
- Please contact Benefits & Technical Support at [workforcestc@wv.gov](mailto:workforcestc@wv.gov) or **304-558-2657**. STC staff will be happy to explain program details, answer any questions, and assist you with your application.

