Preserving Jobs and Averting Layoffs through Short-Time Compensation

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Short-Time Compensation Overview

• Federal law gives states authority to provide a reduced UI weekly benefit amount to individuals whose work weeks have been reduced.

• Helps employers avert layoffs and maintain their trained workforce.

• Minimizes workers’ lost wages and reduces likelihood of being laid off.
Short-Time Compensation Requirements

• Work weeks reduced by at least 10 percent.

• Workers receive a pro-rata share of their WBA based on hours of work lost.

• Workers must be available for normal work week; don’t have to meet work search requirements.
Short-Time Compensation Requirements

- Workers may participate in employer-sponsored training if approved by state.
- Reduction in hours worked is in lieu of temporary layoffs.
Short-Time Compensation States

- Arizona
- Arkansas
- California
- Connecticut
- Florida
- Iowa
- Kansas
- Maryland
- Massachusetts

- Minnesota
- Missouri
- New York
- Oregon
- Rhode Island
- Texas
- Vermont
- Washington
Short-Time Compensation

Recent Events

• Increased media attention
  – NY Times article on June 16, 2009
• Congressional action
  – S 1646 introduced on August 7, 2009
• State legislative action
  – Iowa, Minnesota, and Oregon modified their STC programs
  – New Jersey: bill introduced to provide for STC
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