

Voluntary Shared Work Program Unemployment Insurance Benefits

Voluntary Shared Work Program Details

The Voluntary Shared Work (VSW) program may be a viable option for employers dealing with challenges from COVID-19. The program is intended for use as an alternative to layoffs and can be an effective tool for Iowa businesses experiencing a temporary decline in regular business activity. Approved VSW plans may be valid for up to one year from the plan's starting date.

EMPLOYER ADVANTAGES

With VSW, employers can:

- maintain productivity and quality levels (because the same experienced employees are doing the same work)
- keep the ability to expand operations quickly when business conditions improve
- reduce training costs by keeping the workforce intact
- avoid costs related to hiring and reassignments
- avoid transfers, demotions and tenure based layoffs

EMPLOYEE ADVANTAGES

With VSW, employees can:

- keep job skills sharp
- maintain a higher family income than with UI benefits alone
- keep health insurance and retirement benefits
- continue building job tenure

The VSW program works as follows:

- An affected employee's hours are reduced between 20 percent and 50 percent (the minimum reduction is 20 percent and the maximum reduction is 50 percent).
- Affected employees are paid a percentage of their weekly unemployment insurance (UI) amount, based on the percentage their hours are reduced. For example, if the hours of employees in the affected work unit are reduced from 40 to 32, that is a 20 percent reduction, and the UI claim would pay them 20 percent of their weekly UI amount. An employee whose weekly UI amount is \$361.00 would receive a payment of \$72.00 in benefits for the week.

Cost to Employer

The most common question about the VSW program is the cost. Employer accounts will not be charged for benefits paid under the VSW program directly or indirectly related to COVID-19.

A list of [FAQ's](#) is available online to help you decide if VSW is a good fit for your business. If you decide after reviewing the information that you would like to apply for the program, please complete the [VSW application](#), including the breakdown of affected work units and a potential starting date. If a union represents any portion of the affected workforce, the union must sign off on the employer's plan before you submit it for approval.

When submitting the application, please include the unemployment insurance account number that has been assigned to you by Iowa Workforce Development. Please email the completed application to vswclaims@iwd.iowa.gov and IWD will perform expedited reviews and provide notice within 24 hours.

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After approval for the VSW Program:

Following approval of VSW, the employer will complete an excel spreadsheet to enroll affected employees into the program. Most of the information needed can be transferred from payroll records. Employees will also need to complete the VSW Data Collection form and Tax Withholding Agreement form. These forms are used to determine the number of dependents and desired tax withholding which will be of assistance when completing the spreadsheet. The employer will also need to provide two forms of identity to IWD for each employee participating in the VSW program.

ID Verification

The spreadsheet should be submitted no later than Wednesday of the week prior to the start of the contract so that a review can be made to ensure that all information for all the employees who will be participating in the program has been obtained. If the employer has been approved to backdate the application, then it should be sent in as soon as it is ready. Employees cannot be paid until they have been enrolled in the program and their identification has been verified. It is suggested that all employers review Iowa Code Section 96.40 prior to completing the application for the VSW program to determine if this program will fit the employer's needs.

Each week that the VSW plan is in operation, the employer will submit the number of hours that each employee enrolled in the program has worked. Hours worked by employees are submitted using an excel spreadsheet, in one column with a single data line for each employee (see instructions). Regardless of the company pay period, the employer will report for weeks that run from Sunday through Saturday. Once a contract begins (always a Sunday date) the weekly claims are to be submitted each week that the worker works reduced hours. These weekly claims should be submitted the week *following* the week of reduced hours. For example, a worker works Monday through Friday but only works 24 hours instead of the regularly scheduled 40 hours. This weekly claim would be submitted the following week, preferably on Monday so that all hours worked will be completed (Sunday-Saturday of the week prior). Most generally all weekly claims submitted on Mondays will be on the worker's debit card the following Thursday, unless there is a holiday.

Email the VSW coordinator at vswclaims@iwd.iowa.gov if:

- hours for an employee were under or over reported (include the employee's name, last 4 digits of the social security number, the week and the corrected number of hours in the email)
- changes need to be made after the program has started, such as putting employees on indefinite layoff, adding more units to the program or adding exempt employees