

A backgrounder

Work sharing: it's working to keep industries afloat

A number of Midland and area factories have taken advantage of the federal government's work sharing program.

Work sharing

Work sharing, an option for employers and workers faced with a temporary layoff, has been implemented to meet present economic conditions. Introduced on a limited experimental basis between 1977 and 1979, the mechanism was well received by both the employers and the employees who used it.

There were 24 active agreements during the pilot stage involving 3,200 employees.

Although the financial cost to the government and the unemployment insurance account was higher than would have otherwise been the case, work sharing played a real role in easing the burdens of slack periods.

Under the agreements each employee in the work sharing unit agrees to work fewer days per week than normal and receives partial UI benefits for the time not worked. In

the earlier experiment weekly pay (including unemployment insurance) for all employees was reduced by about seven per cent, whereas hours worked were reduced 20 per cent. Without work sharing, the alternative would have been, on average, a layoff of 20 per cent of the affected staff.

Work sharing is designed only for temporary layoff situations. For permanent layoff situations other programs announced Dec. 22, 1981 are applicable.

How it works

A firm facing a 20 per cent reduction in production plans to lay off one-fifth of its work force. Work sharing can be a new option. Faced with this situation, a company could employ its total work force on a four-day week basis. A reduction from 40 hours to 32 hours a week would cut production by the required 20 per cent without reducing the number of employees.

The company pays its employees for the hours they work and unemployment insurance

"tops up" the reduced wages with work sharing benefits (UI benefits) for the days they were unemployed.

Work sharing agreements do not affect workers' rights to regular UI benefits should they be laid off at the end of the work sharing period.

Work sharing benefits are payable as soon as the work sharing period starts. There is no waiting period, as there is for regular UI benefits. This is done to maintain continuity of employment and production.

What it means in dollars?

Under work sharing, a person normally earning \$70 a day or \$350 for a five-day week would receive \$322 for a four-day week: \$280 would be pay (\$70 for each work day) and \$42 would be work sharing benefits (60 per cent of \$70 - the same amount as regular UI benefits). Thus, this person would get about 92 per cent of the usual weekly pay.

A daily rate of \$42 will be the maximum unemployment insurance any person can get under work sharing. This is based on the maximum weekly insurable earnings in 1982: \$350. Thus, an individual earning \$400 a week would still only get \$42 for each day not worked.

Work sharing can be arranged for a reduction in production from 20 per cent to 60 per cent.

The advantages

Employees participating in work sharing get more in wages and benefits than if they were laid off and collecting full unemployment insurance.

This is not the only factor which makes work sharing such a positive response to the current unemployment situation. There are other advantages:

- By not being laid off, workers maintain their skills and work habits.
- An employee is spared the uncertainties and hardships that come with total unemployment.

The employer gains too: the work force remains intact and this eliminates the need to recruit and retain when production is again increased.

Financing

Work sharing is financed by unemployment insurance. This is because work sharing is an alternative to layoffs. In the current program, which will be for six months, \$30 million in UI benefits has been authorized.

How to qualify

Briefly, employers must meet two important conditions. The firm must be an established enterprise that has been in business for at least two years. It must be shown

that the need for reduced output is temporary and unavoidable. The layoff must be temporary, not permanent and not just a normal seasonal layoff.

Employees must meet the entrance requirements they would have to fulfil if they were applying for regular UI benefits - they must have worked from 10 to 14 weeks depending on the rate of unemployment in their region. Other minimum entrance rules apply if the work sharing applicant has been on claim in the past year or has recently entered or re-entered the labour market.

The agreement Both management and the employees for the work unit must agree to work sharing and jointly request it. Applications for work sharing and the resulting agreements must be signed jointly by representatives of the company and the employees.

Project duration Work sharing projects approved by

Employment and Immigration Canada must last for at least 6 weeks, but no longer than 26 weeks.

The deadline

No work sharing agreement will be approved after May 28, 1982.

Contact your nearest Canada Employment Centre for more information on this innovative approach to keep Canadians working.

Graduation plans in the works

Midland Secondary School's annual graduation exercise is to be staged in the Hugel Avenue high school's triple gym on Tuesday, June 29 at 7:45 p.m.

Needless to say this event will be a memorable affair for students, teachers, parents and friends of MSS.

Wants DREE extended in MP's own riding

Doug Lewis, deputy opposition house leader and MP for Simcoe North called upon the government to extend regional economic development (DREE) benefits to Simcoe North.

Lewis made his comments last week in the Standing Committee of the House of Commons dealing with Regional Development.

The MP based his request on the drastic work-force reduction at RCA in Midland and the difficulty of Orillia in attracting industry.

"The tourism industry is the second most important industry in Ontario and employs a lot of people", continued Lewis. He expressed his dismay that even though tourism agreements exist with many of the provinces - no such agreement currently exists with the province of Ontario.

"The people of my riding of Simcoe North, are not interested in philosophical debates in the board rooms of Ottawa. We want action and delivery of programs and assistance immediately", stated Lewis.

CIVITAN HOME SHOW

Coming May 21-22 Midland Arena

We have space available for exhibitors for
Furniture - Bathroom Fixtures - Sound Equipment
- Flower Arrangements - Carpets - Appliances -
Contractors - Windows & Doors

Contact 526-2664, 549-2052, 526-9834
for information

Now Say It With Gold

YOUR CHOICE...

"No. 1 Mom" 10 Kt Gold Charm with sparkling diamond

OR **10 Kt Gold I.D. Bracelets with your Mom's name engraved FREE**

ONLY \$29.95

All items boxed and wrapped just for you...for Mom...for FREE!

Orri's Jewellers

297 King St., Midland 526-6481