

SHORT-TIME COMPENSATION

DEFINITIONS

Short-Time Compensation (STC) Benefits

A percentage of regular unemployment insurance (UI) benefits payable to employees participating in an approved STC plan.

Short-Time Compensation (STC) Employer

An employer who participates in an approved STC plan.

Short-Time Compensation (STC) Plan

A Short-Time Compensation (STC) plan helps businesses retain their workforce during a temporary slowdown in work. It allows employers to voluntarily reduce the hours of its employees in lieu of layoffs. Employees whose hours are reduced may receive a partial unemployment insurance (UI) benefit each week to help offset the loss of income.

Affected Unit

A specific plant, department, shift or other definable component of an employer. Each unit must include three or more employees in order to participate in a STC plan.

Usual Weekly Hours of Work

The number of hours an individual normally works for an employer per week during the twelve months immediately prior to a STC plan, not to exceed 40 hours each week. STC plan participants must be available and work the weekly hours approved on the STC plan, which may include taking vacation leave, sick leave, and leave without pay.

Other Employment

Hours worked by a STC plan participant for any employer other than their approved STC employer. A STC plan participant must report to his/her STC employer all hours worked for any other employer; failure to do so may result in an overpayment, for which the STC plan participant will be liable to repay.

Health and Retirement Benefits

Employer-provided health benefits, and retirement benefits under a defined benefit plan as defined in IRC §414(j), or contributions under a defined contribution plan, as defined in IRC §414(i), which are incidents of employment in addition to the cash remuneration earned.

Deviation

Any change from the approved plan. A deviation doesn't only affect one individual or one unit. Should any deviation occur from an approved STC plan, the STC plan will need to be modified or possibly terminated.

Additional Part-Time or Full-Time Employee

A STC employer may not hire additional part-time or full-time employees if that hiring increases the number of employees already approved in the STC plan. However, a STC employer may hire an individual to replace a plan participant who has left their employment, and that employee may then be included in the STC plan.

Weekly Certification

In an approved STC plan, an employer enters the reduced hours worked, leave hours, and hours worked from other employment for its plan participants, and certifies those hours each week.

FORMULA FOR CERTIFYING WEEKLY HOURS

hours worked
+ leave (vacation, sick, or leave without pay)
= STC hours offered

+ any hours worked from other employment

Equal Opportunity Employer/Program.

TDD/TTY: 1.800.833.7352

Auxiliary aids and services are available upon request to individuals with disabilities.