

SHORT-TIME COMPENSATION

PARTICIPANT FACT SHEET

What is Short-Time Compensation?

A Short-Time Compensation (STC) plan preserves jobs and an employer's skilled workforce during declines in regular business. Rather than being laid off, eligible employees work a reduced number of hours each week and receive a portion of their weekly unemployment insurance (UI) benefit payment based on the percentage of the reduction in hours. STC cushions the adverse effect of the reduction in business activity and keeps employees on the job for when business demand increases.

Employee Benefits

- An STC plan allows a plan participant to maintain employer-provided benefits (health, retirement, etc.)
- STC plan participants are able to continue working instead of being completely laid off.
- STC plan participants retain the connection with their current employer and remain ready for when business demands increase.
- STC plan participants are not required to look for other work.

EXAMPLE OF AN STC BENEFIT CALCULATION, using a 50% reduction in work hours

Joe normally works 40 hours per week and earns \$20 per hour in regular pay, for a weekly income of \$800. Joe's hours are reduced by 50% to 20 hours per week, for a weekly income of \$400.

Regular weekly UI benefits are determined using an individual's highest quarterly earnings from the 1st 4 of the last 5 calendar quarters. Divide that number by 26. Round down to an even dollar amount. In this case, \$200/week.

Weekly STC benefits use an individual's regular weekly UI benefit amount, reduced by the same percentage reduction in work hours. In this case 50%, or \$100/week.

Employer pays (20 hrs. x \$20/hr.):	\$400.00
STC benefit (50% of regular UI benefit):	\$100.00
Total amount Joe receives for the week:	\$500.00

Getting Started

Log into neworks.nebraska.gov and file a claim for regular UI benefits, or reopen an existing claim. You will be asked to name all employers you've worked for in the last 18 months.

Key Items

- STC plan participants must be available for all usual hours of work with their employer. If not, approved leave must be taken and reported in the weekly certification.
- If you have additional employment, you must report those hours worked to your STC employer each week in order to avoid a potential overpayment.
- STC benefits are paid based on a percentage reduction of regular UI benefits equal to the percentage reduction in regular work hours.
- Under an STC plan, the STC employer submits all weekly certifications. STC plan participants DO NOT file weekly certifications.
- If your reduction in regular work hours exceeds 60%, you may need to file your own weekly claim(s) for regular UI benefits.

CONTACT INFORMATION

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