Employment Insurance (EI) Work Sharing Program

What is Work Sharing?

Work Sharing is a federal Human Resources & Skills Development Canada (Service Canada) program funded by unemployment insurance (EI). The goal is to assist employers and workers to avoid temporary lay offs when there is an unusual slowdown in production or service. The program is not intended to deal with a seasonal slowdown. EI will only consider a joint Work Sharing application, signed by both the employer and union. During Work Sharing, the available work is redistributed through a reduction in hours worked by all employees within 1 or more work units. The reduction must be at least 10% reduction to their normal weekly earnings. Eligible workers receive EI Work Sharing Benefits during their time off.

How long does a Work Sharing Agreement last?

Work Sharing runs for 6 to 26 weeks. It's possible to get a 12 week extension if the company and union jointly apply and Service Canada approves it (creating a maximum of 38 weeks).

What is the mandatory cooling off period?

A mandatory cooling-off period must be served once the agreement has ended or has been terminated, where the employer cannot re-enter a Work-Sharing agreement with the same employees for a period of time. The duration of the cooling-off period will be equal to the number of weeks utilized in the previous agreement (up to a maximum of 38 weeks).

How much are EI Work Sharing benefits?

Work Sharing benefits are paid for each shift off on Work Sharing. Those who are eligible for EI (or become eligible during Work Sharing) fill out a special short form application. The usual 1 week EI waiting period is deferred so benefits are paid from the first week on Work Sharing. The benefit is 55% of normal earnings, capped at the EI maximum. Those with 2022 net taxable income over $75,375 will be required to re-pay 30% of EI benefits at tax time (not applicable if collecting EI for the first time in 10 years).

Does Work Sharing effect other EI entitlements?

No. A worker is still eligible for a normal EI benefit period on the same claim if the worker is laid off or takes maternity, parental or sick leave after Work Sharing. The weeks on Work Sharing do not reduce the normal duration of that claim and the benefit rate is the same. During Work Sharing workers are also collecting extra hours for a future EI claim.

What if I'm offered other work during Work Sharing?

If the earnings received are less than the Earning Threshold (i.e. 90% of the Weekly Insurable Earnings [WIE] used to calculate the Employment Insurance claim), 50% of the earnings will be deducted from any Work-Sharing benefits payable

If the earnings received are more than the Earning Threshold but less than the WIE, 50% of the earnings up to the Earning Threshold will be deducted as well as 100% of the earnings over the Earning Threshold.

What about paid holidays?

Paid holidays are not compensated by EI Work Sharing. The company continues to pay them. If a paid holiday falls during a Work Sharing week, it doesn't count towards the % reduction so it must be made up otherwise (e.g. another day off that week).

What if problems come up during Work Sharing?

Management and the union can establish a Work Sharing Committee to meet regularly to discuss difficulties or new developments and to oversee implementation. The union, employer, or government can withdraw from Work Sharing with reasonable notice. EI will consider program amendments if both the company and union are agreeable.

Can I get more information about Work Sharing?

See https://www.canada.ca/en/employment-social-development/services/work-sharing.html

Example: $25 an hour job and 4 day E.I. Work Sharing

- **Normal Week**: $25 x 40 hours = normal pay **$1,000**
- **Work Sharing Week of 4 days:** $25 x 32 hours = $800 + $110 from EI ($200 lost day x 55% EI rate to daily EI maximum)

= **$910 for Work Sharing week** (example only; varies by individual)

Why consider E.I. Work Sharing?

A decision about Work Sharing isn't easy. Whatever the decision, make it the best possible collective decision for the membership as a whole. And make sure you consider some of the advantages:

1. Everyone continues to work and get paid - including young workers with families.
2. There's a cost savings on lunch, travel and child care for the days off work.
3. There's a shorter work week with no loss of benefits.
4. There's some compensation in pay. Take-home pay (with EI) isn't too different.
5. EI entitlements are protected and more hours are building for any future claim.

There are no changes to the collective agreement. It's a temporary 3 party agreement that can be ended if it's not working out.

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