

United States Senate

WASHINGTON, DC 20510

August 6, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington DC 20510

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington DC 20510

Dear Leader McConnell and Leader Schumer:

As Congress considers the next coronavirus response package, we urge you to include incentives for employers to utilize Work Sharing and to help states expand the availability of Work Sharing. We introduced the Rebuilding Main Street Act to leverage the Work Sharing program to provide comprehensive and flexible support for workers, small businesses, and nonprofits to get through the pandemic and reopen gradually as it becomes safe to do so. As we detail below, there are a number of ways to incorporate the conceptual framework of this legislation and its specific provisions into a larger legislative package.

Employers participating in Work Sharing avoid layoffs by instead reducing the hours of their employees – or bringing laid off employees back to work at reduced hours – and those employees receive a pro-rated Unemployment Insurance benefit to compensate for the lost wages. The Work Sharing unemployment benefit also includes the recently-expired \$600 provided by Federal Pandemic Unemployment Assistance (FPUC). Supporting the widespread use of Work Sharing would address one of the concerns some have raised about extending FPUC, since all workers make more money from working reduced hours and receiving a Work Sharing unemployment benefit than they would receive from only unemployment benefits.

There are many ways that the next coronavirus response package could incentivize more employers to utilize Work Sharing:

- Provide Rebuilding Main Street Grants to support hard-hit businesses and nonprofits utilizing Work Sharing.
- Increase the payroll tax credit for fixed expenses in the HEROES Act for qualifying employers who utilize Work Sharing.
- Increase the Safe and Healthy Workplace Tax Credit in the HEALS Act for qualifying employers who utilize Work Sharing.
- Increase the relief provided to businesses and nonprofits through other loan, grant, or tax programs included in the package for those employers utilizing Work Sharing.
- Provide an exemption in the Paycheck Protection Program from reduced loan forgiveness on the basis of wage reductions if the employer makes those wage reductions under a Work Sharing plan, provided that the package also includes an extension of FPUC to protect worker paychecks.
- Prohibit states from charging employers for Work Sharing unemployment benefits in the form of higher taxes or reimbursement costs while those benefits are fully funded by the federal government.

The CARES Act includes important policies to expand the availability of Work Sharing and encourage more states to adopt the program. We urge you to build on those policies with the following additional measures in the next package:

- Increase the limit in hour reductions from 60% to 80%.
- Allow federal reimbursement for Work Sharing benefits paid for temporary, seasonal, and intermittent jobs to the extent that hours are reduced due to COVID-19.
- Increase federal funding for Work Sharing benefits provided under a temporary federal-state agreement to 100%, up from the 50% provided in the CARES Act.
- Establish a federal online portal for employers to utilize Work Sharing, including a federally-managed common application that employers can use to apply in one or more states that accept the common application.
- Provide additional administrative grants for states to establish or improve their Work Sharing programs, and use these grants to encourage states to take measures that expand the number of employers who participate in the program.
- Conduct a public awareness campaign to encourage businesses to use Work Sharing, utilizing the Minority Business Development Agency and Women’s Business Centers to reach underserved businesses and communities.

Work Sharing helps workers stay connected to their jobs, protects paychecks, helps small businesses and nonprofits stay in business, and fosters safe practices that will be vital to ensuring a sustainable recovery. We look forward to working with you to expand the Work Sharing program to reach its full potential as part of the next coronavirus relief package.

Sincerely,

/s/ Chris Van Hollen
United States Senator

/s/ Jeffrey A. Merkley
United States Senator

/s/ Christopher S. Murphy
United States Senator

/s/ Tammy Baldwin
United States Senator