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Title 22@ Social Security

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Division 1@ Employment Development Department

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Subdivision 1@ Director of Employment Development

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Division 1@ Unemployment and Disability Compensation

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Part 1@ Unemployment Compensation

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Chapter 5@ UNEMPLOYMENT COMPENSATION BENEFITS

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Article 2.4@ WORK SHARING UNEMPLOYMENT INSURANCE BENEFITS

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Section 1279.5-7@ Calculation of Wage Reduction

1279.5-7 Calculation of Wage Reduction

To calculate the percentage by which an employee's normal weekly wages were reduced during a week as a result of a work sharing plan, the work sharing employer shall: (1) Subtract the actual (reduced) wages earned during the work sharing week (wages are described below in subsection (b) of these regulations) from the normal weekly wages (wages the employee earned before the implementation of the work sharing plan), and (2) Divide the difference (obtained in above subsection (a)(1) of these regulations) by the normal weekly wages.

Example: The claimant's normal weekly wages are \$420.00. However, due to work sharing reductions, the claimant's actual wages earned during the work sharing week are \$336.00. The claimant's wages have been reduced by \$84.00 (\$420.00 - \$336.00 = \$84.00). To determine the percentage of wage reduction, divide the amount the wages have been reduced by the normal weekly wages, this figure is the percentage by which the normal weekly wages were reduced (\$84.00 / \$420.00 = .20, or a 20% reduction in the normal weekly wages.

(1)

Subtract the actual (reduced) wages earned during the work sharing week (wages are described below in subsection (b) of these regulations) from the normal weekly wages (wages the employee earned before the implementation of the work sharing plan), and

(2)

Divide the difference (obtained in above subsection (a)(1) of these regulations) by the normal weekly wages. Example: The claimant's normal weekly wages are \$420.00. However, due to work sharing reductions, the claimant's actual wages earned during the work sharing week are \$336.00. The claimant's wages have been reduced by \$84.00 ($\$420.00 - \$336.00 = \84.00). To determine the percentage of wage reduction, divide the amount the wages have been reduced by the normal weekly wages, this figure is the percentage by which the normal weekly wages were reduced ($\$84.00 / \$420.00 = .20$, or a 20% reduction in the normal weekly wages.

(b)

Wages earned during the work sharing week shall include: (1) Wages for services performed by the employee during the week to which the certification applies for the work sharing employer. (2) Vacation pay, holiday pay, sick leave pay, and other types of paid leave for time off from work. These wages are allocable to the week of the vacation, holiday, sick leave, or other paid leave.

Example: The employees of work sharing employer A recently worked three days, received holiday pay for the fourth day, and were on an unpaid day off due to work sharing on the fifth day. For work sharing purposes, the employees are considered to have a corresponding reduction in wages and hours for the week of the holiday of 20% (the fifth day only) and are entitled to 20% of the weekly unemployment insurance benefit amount.

(1)

Wages for services performed by the employee during the week to which the certification applies for the work sharing employer.

(2)

Vacation pay, holiday pay, sick leave pay, and other types of paid leave for time off from work. These wages are allocable to the week of the vacation, holiday, sick leave,

or other paid leave. Example: The employees of work sharing employer A recently worked three days, received holiday pay for the fourth day, and were on an unpaid day off due to work sharing on the fifth day. For work sharing purposes, the employees are considered to have a corresponding reduction in wages and hours for the week of the holiday of 20% (the fifth day only) and are entitled to 20% of the weekly unemployment insurance benefit amount.