What is Short-Time Compensation?

The Short-Time Compensation (STC) Program 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 in the work weeks and receive a portion of their weekly unemployment compensation 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

- STC allows an employee to maintain their health and retirement benefits,
- Employees are able to continue working rather than being completely laid off, and
- Employees retain the connection with their current employer and remain ready for when times and business gets better.

Example:
John Smith normally works 40 hours per week and earns $20 an hour in regular pay. Under the Short-Time Compensation Program, John’s hours are reduced by 20 hours a week, a 50% reduction. How does this compare to a total layoff?

<table>
<thead>
<tr>
<th>100% LAYOFF UNEMPLOYMENT COMPENSATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee works 20 hours x $20</td>
</tr>
<tr>
<td>Weekly Short-Time Compensation payment</td>
</tr>
<tr>
<td>Total Weekly Income</td>
</tr>
</tbody>
</table>

Key Items

- Must be available for all your usual hours of work with your STC employer, and are not required to look for other work.
- Your employer submits a weekly claim for benefits, reporting the number of hours of work offered, hours worked + any approved leave for the prior week. Employees do not need to file weekly claims.
- Your benefits will be paid based on a percentage equal to the percentage by which your hours have been reduced.

Department of Labor
Short-Time Compensation Program

Revised 12/18/19
Equal Opportunity Program/Employer  TDD: 800-833-7352
Auxiliary aids and services are available upon request to individuals with disabilities.