

# SHORT-TIME COMPENSATION

## PERCENTAGE REDUCTIONS

STC plans are based on a 40-hour work week. The table below demonstrates the percentage reductions for a normal 40-hour work week. Plan participants must be reduced between 10% and 60% in order to receive STC benefits. If you have an employee whose regular work hours are reduced in excess of 60%, that individual will need to file his/her own claim for regular UI benefits and file his/her own weekly certifications.

Each STC plan unit must have at least three participants, and all participants in a unit must receive the same percentage reduction in work hours.

| NORMAL WORK HOURS | STC HOURS OFFERED | PERCENTAGE REDUCTION |
|-------------------|-------------------|----------------------|
| 40                | 36                | 10.00%               |
| 40                | 35                | 12.50%               |
| 40                | 34                | 15.00%               |
| 40                | 33                | 17.50%               |
| 40                | 32                | 20.00%               |
| 40                | 31                | 22.50%               |
| 40                | 30                | 25.00%               |
| 40                | 29                | 27.50%               |
| 40                | 28                | 30.00%               |
| 40                | 27                | 32.50%               |
| 40                | 26                | 35.00%               |
| 40                | 25                | 37.50%               |
| 40                | 24                | 40.00%               |
| 40                | 23                | 42.50%               |
| 40                | 22                | 45.00%               |
| 40                | 21                | 47.50%               |
| 40                | 20                | 50.00%               |
| 40                | 19                | 52.50%               |
| 40                | 18                | 55.00%               |
| 40                | 17                | 57.50%               |
| 40                | 16                | 60.00%               |

Percentage reductions less than 10% are not eligible for STC benefits.

Percentage reductions over 60% are not eligible for STC benefits, but may be eligible for regular UI benefits. Those individuals must file their own weekly certification for regular UI benefits.

### FORMULA FOR CERTIFYING WEEKLY HOURS

# hours worked  
+ leave (vacation, sick, or leave without pay)  
= STC hours offered

+ any hours worked from other employment

### 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 1<sup>st</sup> 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        |
| <b>Total amount Joe receives for the week:</b> | <b>\$500.00</b> |

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