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## DIGEST

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HB 93 Engrossed

2020 Second Extraordinary Session

Willard

**Abstract:** Enacts a work-sharing program.

Proposed law defines terms for the purposes of proposed law.

Proposed law provides that an employer wishing to participate in the work-sharing program shall submit a signed written work-sharing plan to the administrator for approval.

Proposed law provides that the administrator shall develop an application form to request approval of a work-sharing plan and an approval process.

Proposed law provides that the administrator shall approve or disapprove a work-sharing plan in writing within 30 days of its receipt and promptly communicate the decision to the employer. Proposed law further provides that a decision disapproving the plan shall state the reasons for the disapproval.

Proposed law provides that disapproval is final; however, the employer will be allowed to submit another work-sharing plan for approval not earlier than 15 days from the date of the disapproval.

Proposed law provides that a work-sharing plan shall be effective on the date that is mutually agreed upon by the employer and the administrator, which must be specified in the notice of approval to the employer.

Proposed law provides that the plan expires on the date specified in the notice of approval, which shall be either the date at the end of the 6<sup>th</sup> full calendar month after its effective date or an earlier date mutually agreed upon by the employer and administrator.

Proposed law provides that an employer may terminate a work-sharing plan at any time upon written notice to the administrator.

Proposed law provides that the administrator may revoke approval of a work-sharing plan for good cause at any time, including upon the request of an affected unit's employee. Proposed law further provides that such a revocation must be in writing, specify the reasons for revocation, and the date the revocation is effective.

Proposed law provides that an employer may request a modification of an approved plan by filing a written request to the administrator. Proposed law further requires that the request must identify

the specific provisions proposed to be modified and contain an explanation for the modification.

Proposed law requires the administrator to approve or disapprove the proposed modification in writing within 10 working days of receipt and promptly communicate his decision to the employer.

Proposed law provides that the administrator may terminate an employer's plan if the employer fails to meet this reporting requirement.

Proposed law provides that if the administrator determines that the reported change is substantial, the administrator shall require the employer to request a modification to the plan.

Proposed law provides that an employee's work-sharing unemployment compensation weekly benefit amount shall be the product of the regular weekly unemployment compensation amount multiplied by the percentage of reduction in the employee's usual weekly hours of work.

Proposed law provides that an employee may be eligible for work-sharing unemployment compensation benefits or unemployment compensation, as appropriate. Proposed law further provides that no employee shall be eligible for combined benefits in any benefit year in an amount more than the maximum entitlement established for regular unemployment compensation, nor shall an employee be paid work-sharing unemployment compensation benefits for more than 52 weeks under an approved work-sharing plan.

Proposed law provides that except as otherwise provided in proposed law, work-sharing benefits shall be charged to an employer's experience rating account.

Proposed law provides that if federal funding is available to the state for the purpose of full reimbursement for the cost of funding work-sharing benefits paid by the agency pursuant to Section 2162 of the Layoff Prevention Act of 2012 and an approved work-sharing plan under proposed law, those benefits shall not be charged or billed to a participating employer.

Proposed law provides that an employee who has received all of the work-sharing benefits or combined unemployment compensation and work-sharing unemployment compensation benefits available in a benefit year shall be considered an exhaustee for purposes of extended benefits and, if otherwise eligible, shall be eligible to receive extended benefits.

Proposed law provides that the Louisiana Workforce Commission shall provide to the legislature a report on or before June 30<sup>th</sup> annually. Proposed law further provides that the report shall include: the number of participating employers and employees, the number of employees in an affected unit participating in a work-sharing program, and the number of work-sharing programs revoked by the administrator and the reasons for such revocation.

Proposed law provides that if any provisions under proposed law would otherwise cause the United States Department of Labor to withhold the approval required to implement a work-sharing program under 26 U.S.C. §3304(a)(4)(e) of the Federal Unemployment Tax Act and 42 U.S.C. §303(a)(5) of the Social Security Act, that provision shall not be applicable.

(Adds R.S. 23:1750.1-1750.12)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Labor and Industrial Relations to the original bill:

1. Make technical changes.
2. Delete that an employer no longer has to certify that he will not hire a new employee or transfer an employee in an affected unit.
3. Delete that an employer no longer has to certify that he will not layoff a participating employee.
4. Delete that a work-sharing employer will not be subject to partial unemployment compensation benefits under the same provisions of law as regular unemployment compensation benefits.
5. Delete that wages earned by an employee from other than the work-sharing employer will not be disregarded.
6. Require an annual report by the Louisiana Workforce Commission to be provided to the legislature.
7. Changes the expiration of the plan from 12 months to 6 months.