



UNITED STATES DEPARTMENT OF LABOR

# Short Time Compensation (STC) Updates

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UWC National UI Issues Conference  
Spokane, Washington  
June 27, 2024



## Presenters

- **Jim Garner**, Administrator, Office of Unemployment Insurance (USDOL)
- **Sam Virgil**, UI Strategic Initiatives Manager, Washington State Employment Security Department
- **Cheryl Brown**, Program Specialist, UI Customer Support Division, Washington State Employment Security Department
- **Bob Battles**, General Counsel and Director of Government Affairs Employment Law, Association of Washington Business
- **Amy Evans**, Global Benefits & HR Operations, Unemployment Insurance, The Boeing Company



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## What is STC?

- Also known as work sharing or shared-work
  - Allows employers to reduce hours of work for employees versus laying them off
    - Business can retain a talented workforce during economic downturns—rather than laying off the workforce and having to recruit, hire, and train new staff when the economy recovers – STC employers can reduce overhead by temporarily cutting hours.
  - Employees collect a percentage of their UI benefits to replace the lost wages
    - They keep their jobs at a reduced schedule, keep their benefits, and are able to file for partial unemployment benefits for the lost wages.
  - Employees must be monetarily eligible for UI
  - The amount of UI paid to individuals filing for STC is pro-rated based on what they would receive if they were unemployed
  - Cannot be operational if it doesn't conform with the Federal Unemployment Tax Act (FUTA)
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## Benefits of STC

### During Business Contraction

#### **Supports employee retention:**

- Employees can stay on the job and maintain their skills
- Workers avoid total unemployment
- Morale is increased
- Health benefits are retained

#### **Saves employers money:**

- Retraining costs avoided
- UI Taxes may be lower
- Rehiring costs are avoided
- Recovery is faster

#### **Saves costs to the UI Trust Fund**

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### Other Benefits

- Reduces the burden on the UI system, if less people are unemployed
- Stabilizes local economies during economic downturns by avoiding loss of consumer spending and reducing unemployment



## STC Resources

- STC WorkforceGPS – “One-Stop Shop”
    - Provides STC resources and tools for practitioners.
      - [WorkforceGPS - Welcome to STC](#)
  - STC 101
    - Provides STC resources and tools for practitioners.
      - [WorkforceGPS - STC 101](#)
  - STC State Tools and Resources
    - **STC Employer Fact Sheet (with links to STC websites for 25 states with STC programs)**
      - [STC Employer Fact Sheet](#)
    - Includes state materials and best practices for practitioners.
      - [WorkforceGPS - State STC Tools & Resources](#)
  - July 2024: Upcoming STC Webinar “Building the Case for How STC Supports Workers and Employers”
    - *More Details will follow*
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