

1 ENGROSSED SENATE  
2 BILL NO. 1970

By: Mazzei and Lamb of  
the Senate

3 and

4 McNeil of the House

5  
6  
7 [ Shared Work Unemployment Compensation Program -  
8 codification - effective date -  
9 emergency ]

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11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 2-900 of Title 40, unless there  
14 is created a duplication in numbering, reads as follows:

15 This act shall be known and may be cited as the "Shared Work  
16 Unemployment Compensation Program".

17 SECTION 2. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 2-901 of Title 40, unless there  
19 is created a duplication in numbering, reads as follows:

20 As used in this act:

21 1. "Affected unit" means a specified department, shift or other  
22 unit of two or more employees that is designated by an employer to  
23 participate in a shared work plan;

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1        2. "Fringe benefit" means health insurance, a retirement  
2 benefit received under a pension plan, a paid vacation day, a paid  
3 holiday, sick leave, and any other analogous employee benefit that  
4 is provided by an employer;

5        3. "Fund" means the Unemployment Trust Fund established by  
6 Section 3-605 of Title 40 of the Oklahoma Statutes;

7        4. "Normal weekly hours of work" means the lesser of forty (40)  
8 hours or the average obtained by dividing the total number of hours  
9 worked per week during the preceding twelve-week period by the  
10 number twelve;

11       5. "Participating employee" means an employee who works a  
12 reduced number of hours under a shared work plan;

13       6. "Participating employer" means an employer who has a shared  
14 work plan in effect;

15       7. "Commission" has the same meaning as set out in Section 1-  
16 206 of Title 40 of the Oklahoma Statutes;

17       8. "Shared work benefit" means an unemployment compensation  
18 benefit that is payable to an individual in an affected unit because  
19 the individual works reduced hours under an approved shared work  
20 plan;

21       9. "Shared work plan" means a program for reducing unemployment  
22 under which employees who are members of an affected unit share the  
23 work remaining after a reduction in their normal weekly hours of  
24 work; and

1        10. "Shared Work Unemployment Compensation Program" means a  
2 program designed to reduce unemployment and stabilize the work force  
3 by allowing certain employees to collect unemployment compensation  
4 benefits if the employees share the work remaining after a reduction  
5 in the total number of hours of work and a corresponding reduction  
6 in wages.

7        SECTION 3.        NEW LAW        A new section of law to be codified  
8 in the Oklahoma Statutes as Section 2-902 of Title 40, unless there  
9 is created a duplication in numbering, reads as follows:

10        A. The Oklahoma Employment Security Commission shall establish  
11 a voluntary Shared Work Unemployment Compensation Program as  
12 provided by this act. The Commission may adopt rules and establish  
13 procedures necessary to administer the program.

14        B. An employer who wishes to participate in the Shared Work  
15 Unemployment Compensation Program must submit a written shared work  
16 plan to the Commission for approval. As a condition for approval, a  
17 participating employer must agree to furnish the Commission with  
18 reports relating to the operation of the shared work plan. The  
19 report shall be in a form prescribed by the Commission.

20        SECTION 4.        NEW LAW        A new section of law to be codified  
21 in the Oklahoma Statutes as Section 2-903 of Title 40, unless there  
22 is created a duplication in numbering, reads as follows:

23        A. The Oklahoma Employment Security Commission may approve a  
24 shared work plan if:

- 1        1. The participating employer regularly employs at least one  
2 hundred employees;
- 3        2. The shared work plan applies to and identifies a specific  
4 affected unit or number of units;
- 5        3. The employees in the affected unit are identified by name  
6 and social security number;
- 7        4. The shared work plan reduces the normal weekly hours of work  
8 for an employee in the affected unit by not less than twenty percent  
9 (20%) and not more than forty percent (40%);
- 10       5. The shared work plan applies to at least ten percent (10%)  
11 of the employees in the affected unit and at least fifty employees  
12 within the company;
- 13       6. The shared work plan maintains the fringe benefits of each  
14 employee in the affected unit at the benefit level in effect before  
15 the work share plan is implemented;
- 16       7. The employer certifies that the implementation of a shared  
17 work plan and the resulting reduction in work hours is in lieu of  
18 temporary layoffs that would affect at least ten percent (10%) of  
19 the employees in the affected unit and at least fifty employees  
20 within the company, and that would result in an equivalent reduction  
21 in work hours;
- 22       8. The employer has filed all reports required to be filed  
23 under the Employment Security Act of 1980 for all past and current  
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1 periods, and has paid all contributions, interest, penalties and  
2 fees owing on the employer's account with the Commission; and

3 9. The employer must be eligible for a tax rate computation  
4 under Sections 3-101 through 3-118 of Title 40 of the Oklahoma  
5 Statutes; provided any employer that is assigned an experience rate  
6 of five and four tenths (5.4) percent or greater for a calendar year  
7 shall be ineligible to participate in the Shared Work Unemployment  
8 Compensation Program provided by this act for that calendar year.

9 B. If any of the employees who participate in a shared work  
10 plan pursuant to this act are covered by a collective bargaining  
11 agreement, the shared work plan must be approved in writing by the  
12 collective bargaining agent before approval by the Commission.

13 C. A shared work plan may not be implemented to subsidize  
14 seasonal employers during the off-season or to subsidize employers  
15 who have traditionally employed workers less than thirty-two (32)  
16 hours per week.

17 D. The Commission shall approve or deny a shared work plan no  
18 later than thirty (30) days after the day the shared work plan is  
19 received by the Commission. The Commission shall approve or deny a  
20 shared work plan in writing. If the plan is denied, the Commission  
21 shall notify the employer of the reasons for the denial.

22 E. The employer may appeal the denial of a shared work plan  
23 pursuant to the provisions of Section 3-115 of Title 40 of the  
24 Oklahoma Statutes.

1 SECTION 5. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 2-904 of Title 40, unless there  
3 is created a duplication in numbering, reads as follows:

4 A shared work plan is effective on the date it is approved by  
5 the Oklahoma Employment Security Commission. For good cause shown,  
6 the Commission may designate the effective date to be on any day  
7 within a period of fourteen (14) days prior to the date the plan is  
8 approved by the Commission. The shared work plan expires on the  
9 last day of the twelfth full-calendar month after the effective date  
10 of the shared work plan. Shared work benefits shall be paid for a  
11 maximum of twenty-six (26) weeks during the twelve (12) consecutive  
12 calendar months that the shared work plan is in effect.

13 SECTION 6. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 2-905 of Title 40, unless there  
15 is created a duplication in numbering, reads as follows:

16 An employer may modify a shared work plan created pursuant to  
17 this act to meet changed conditions if the modification conforms to  
18 the basic provisions of the shared work plan as approved by the  
19 Oklahoma Employment Security Commission. The employer must report  
20 the changes made to the shared work plan in writing to the  
21 Commission before implementing the changes. If the original shared  
22 work plan is substantially modified, the Commission shall reevaluate  
23 the shared work plan and may approve the modified shared work plan  
24 if it meets the requirements for approval under Section 5 of this

1 act. The approval of a modified shared work plan does not affect  
2 the expiration date originally set for that shared work plan. If  
3 substantial modifications cause the shared work plan to fail to meet  
4 the requirements for approval, the Commission shall deny approval to  
5 the modifications as provided by subsection D of Section 4 of this  
6 act.

7 SECTION 7. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 2-906 of Title 40, unless there  
9 is created a duplication in numbering, reads as follows:

10 A. Notwithstanding any other provisions of the Employment  
11 Security Act of 1980, an individual is unemployed and is eligible  
12 for shared work benefits in any week in which the individual, as an  
13 employee in an affected unit, works for less than the individual's  
14 normal weekly hours of work in accordance with an approved shared  
15 work plan in effect for that week. The Oklahoma Employment Security  
16 Commission may not deny shared work benefits for any week to an  
17 otherwise eligible individual by reason of the application of any  
18 provision of this title that relates to availability for work,  
19 active search for work or refusal to apply for or accept work with  
20 an employer other than the participating employer.

21 B. An individual is eligible to receive shared work benefits  
22 with respect to any week in which the Commission finds that:

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1        1. The individual is employed as a member of an affected unit  
2 subject to a shared work plan that was approved and is in effect for  
3 that week;

4        2. The individual is able to work and is available for  
5 additional hours of work or full-time work with the participating  
6 employer;

7        3. The individual's normal weekly hours of work have been  
8 reduced by at least twenty percent (20%) but not more than forty  
9 percent (40%) with a corresponding reduction in wages; and

10       4. The individual's normal weekly hours of work and wages have  
11 been reduced as described in paragraph 3 of this subsection for a  
12 waiting period of one week which occurs within the period the shared  
13 work plan is in effect, which period includes the week for which the  
14 individual is claiming shared work benefits.

15       SECTION 8.        NEW LAW        A new section of law to be codified  
16 in the Oklahoma Statutes as Section 2-907 of Title 40, unless there  
17 is created a duplication in numbering, reads as follows:

18       A. The Oklahoma Employment Security Commission shall pay an  
19 individual who is eligible for shared work benefits a weekly shared  
20 work benefit amount equal to the individual's regular weekly benefit  
21 amount, calculated pursuant to Section 2-106 of Title 40 of the  
22 Oklahoma Statutes, for a period of total unemployment multiplied by  
23 the nearest full percentage of reduction of the individual's hours  
24 as set forth in the employer's shared work plan. If the shared



1 benefit amount is not a multiple of One Dollar (\$1.00), the  
2 Commission shall reduce the amount to the next lowest multiple of  
3 One Dollar (\$1.00). All shared work benefits under this act shall  
4 be payable from the Unemployment Compensation Fund.

5 B. The Commission may not pay an individual shared work  
6 benefits for any week in which the individual performs paid work for  
7 the participating employer in excess of the reduced hours  
8 established under the shared work plan.

9 C. An individual shall not receive shared work benefits or  
10 regular unemployment compensation benefits or both, in an amount  
11 that exceeds the maximum benefit amount payable to that individual,  
12 pursuant to Section 2-106 of Title 40 of the Oklahoma Statutes, in  
13 the benefit year that shall begin as of the effective date of the  
14 shared work plan.

15 D. An individual who has received all of the shared work  
16 benefits and regular unemployment compensation benefits available in  
17 a benefit year has exhausted his or her benefits and may be entitled  
18 to receive extended benefits, if extended benefits are available and  
19 if the individual is otherwise eligible.

20 SECTION 9. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 2-908 of Title 40, unless there  
22 is created a duplication in numbering, reads as follows:

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1 Shared work benefit wages paid under a shared work plan shall be  
2 charged to the participating employer as provided in Section 3-106  
3 of Title 40 of the Oklahoma Statutes.

4 SECTION 10. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 2-909 of Title 40, unless there  
6 is created a duplication in numbering, reads as follows:

7 The Oklahoma Employment Security Commission may terminate a  
8 shared work plan for good cause if the Commission determines that  
9 the shared work plan is not being executed according to the terms  
10 and intent of the Shared Work Unemployment Compensation Program.

11 SECTION 11. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 2-910 of Title 40, unless there  
13 is created a duplication in numbering, reads as follows:

14 No shared work benefit payment shall be made under any shared  
15 work plan for any week which commences before January 1, 2011.

16 SECTION 12. This act shall become effective July 1, 2010.

17 SECTION 13. It being immediately necessary for the preservation  
18 of the public peace, health and safety, an emergency is hereby  
19 declared to exist, by reason whereof this act shall take effect and  
20 be in full force from and after its passage and approval.

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