

DEPARTMENT OF ECONOMIC OPPORTUNITY
SHORT TIME COMPENSATION PROGRAM
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**SHORT TIME COMPENSATION (STC)
INFORMATION FOR EMPLOYEES**

General Information

The Short Time Compensation (STC) Program is a voluntary employer program designed to help employers maintain their staff by reducing the weekly hours of their employees, instead of temporarily laying off employees, when the employer is faced with a temporary slowdown in business. If your employer establishes an STC Plan and you, the employee, meet the qualifications to establish a reemployment claim against the state of Florida, you will receive a partial reemployment check to supplement your reduced paycheck.

Employer Requirements

- * An STC Plan Application must be completed by the employer. An STC Plan lasts for one year but can be renewed if the employees have returned to full-time work during the plan year.
- * At least 10% (not less than 2) of the employees in the total staff or in a particular department must work reduced hours.
- * The employer must name you as an employee participating in the program and must provide us with the your normal weekly hours (excluding overtime).
- * The employer must certify that they plan to reduce your hours by at least 10%, but no more than 40% from your normal number of weekly work hours.
- * The situation must be a temporary situation, replacing a temporary layoff.

Employee Requirements

- * You, the employee, must currently be a full time employee, (not part-time or seasonal) with a standard number of hours to work each week (excluding overtime).
- * You must meet all of the normal requirements to establish a Florida reemployment claim and you must provide us with any necessary information or documentation.
- * While on the Short Time Compensation program you must work and/or receive paid leave for ALL of the hours that your employer has you scheduled to work in order to receive STC Benefits for a week.
- * Every two weeks you will be required to report your hours worked, plus any hours of paid leave from your STC employer and if you have a part-time job, earnings from that part-time job.

QUESTIONS AND ANSWERS

Q. What will happen after my employer establishes a Short Time Compensation Plan and I begin working reduced hours?

A. Your employer will give you an "Employee Application for STC" (employee application) / "Voluntary Withholding of Federal Income Tax" (voluntary withholding) form. Complete this form AFTER YOU BEGIN REDUCED HOURS.

● You will complete the employee application, the voluntary withholding form and, if necessary, a "Supplemental Employee Application".

● If you are not a United States citizen, a copy of the front and back of your alien card, employment authorization card or any other documentation that authorizes you to work in this country, must be attached to the employee application.

● Your employee application will be mailed to the STC Unit in Tallahassee for processing.

● An reemployment claim will be established for you by STC Unit employees.

● If you are filing a new reemployment claim, a "Wage Transcript and Determination" (wage transcript) will be mailed to you. This will show you: if you qualified for a reemployment claim, how your claim was determined, your Weekly Benefit Amount, your Total Available Credits and the beginning and ending dates of your reemployment claim. **Review the wage transcript for any errors.** Notify your employer if errors are found. The STC Unit will be notified to correct the error.

● To begin the payment process a "Weekly Claim Certification" card (certification card) will be mailed to your employer for you to complete. You will report the number of hours worked for each week on the card, tell us if you worked all available hours or not and report income from any other employment that you may have had.

● The certification cards will be returned to the STC Unit for processing. If you qualify, a payment will then be issued and mailed to your address. Any address or name changes or corrections may be requested on your certification card.

● More certification cards will then be mailed to your employer for the next two weeks.

Q. When will I get my first check?

A. About a month after you first work reduced hours or about two weeks after you sign for your 2nd week of STC benefits.

Q. Will I have to report to the local Jobs and Benefits office?

A. No, while you are involved in the STC program everything will be handled by mail (usually through your employer) to the STC Unit in Tallahassee.

Q. I am not a United States citizen, will I be entitled to receive STC benefits?

A. Yes, as long as you are currently authorized to work in this country and provide us with copies of your alien documentation (front and back).

Q. How do I qualify for a reemployment claim?

A. During the **base period** of your claim (explained below) you must meet the following minimum monetary requirements:

- (1) have worked in at least two calendar quarters,
- (2) have earned at least \$3,400
- (3) have total wages during your base period of equal to or greater than 1 1/2 times the wages earned in your highest quarter.

Also, if you have been employed with your STC employer less than three months, the reason of separation from a previous employer may affect your STC claim. (If a disqualification is imposed because of a prior job separation, you will be required to earn a set amount of money before you will be eligible to receive STC benefits. Earnings from your STC employer can be used to end the disqualification.)

Q. Will I be able to use wages from another employer, an out of state employer, federal employment, or military employment to establish a reemployment claim for STC?

A. Yes. Note: wages from an out of state employer may be used only if you have some Florida employment during your base period.

Q. What is my base period?

A. Your base period is determined by the calendar quarter in which the effective date (beginning date) of your Reemployment Claim falls (see chart following). It is normally a Sunday. Note: the completed calendar quarter just prior to the effective date of your claim is not part of your base period because wage information is not available from employers until up to a month after the calendar quarter ends.

Effective Date of Claim Base Period

1/1/97 - 3/31/97	10/1/95 - 9/30/96
4/1/97 - 6/30/97	1/1/96 - 12/31/96
7/1/97 - 9/30/97	4/1/96 - 3/30/97
10/1/97 - 12/31/97	7/1/96 - 6/30/97

Q. How is my weekly benefit amount (WBA) determined?

A. Your base period is divided into calendar quarters. To determine your WBA we use the quarter in which you earned the most wages. Those wages are divided by 26, which gives you your WBA (up to a maximum set by law).

Q. What is my "total available credits" (AC) and how is it determined?

A. Your total AC is the total amount of money that you are entitled to receive during your reemployment claim year. It is determined by the total amount of wages that you earned during your base period. Your total AC is equal to 25% of your total earnings during your base period up to a maximum set by law.

Example: \$20,000 (total earnings) X .25 (25%) = \$5,000 (total available credits)

Q. How many weeks of STC benefits will I be entitled to receive?

A. You may receive up to 26 weeks of STC benefits during your reemployment claim year.

Q. What is my reemployment claim year?

A. A reemployment claim is in effect for one year from the date your claim started. For example, if your first week of reduced hours began on November 3, 1996, your claim would be in effect until November 2, 1997.

Q. How do you determine how much STC benefits I will be paid each week?

A. You will be paid a percentage of your reemployment WBA according to the percentage that your hours were reduced during that week.

EXAMPLE:

**Normal hours - 40 Hours worked - 32
40 - 32 = 8(hours reduced) 8 ÷ 40 = .20
\$200 (WBA) X .20 (20% reduction in hours) =
\$40 (STC Payment)**

Q. Will income tax be deducted from my STC benefits? Will I pay income tax on my STC reemployment benefits?

A. You will have the option of having income tax deducted from your STC benefits. At the end of each year we will mail you a 1099-G statement which will show the amount of reemployment benefits (including STC benefits) that were paid to you during the previous year and any income tax withheld. You will report the benefits received as additional income on your tax statement.

Q. Will I be paid for my first week of reduced hours?

A. You will not be paid for your first week of reduced hours, unless you have a current reemployment claim and have already had an unpaid waiting week on that claim. To qualify as a waiting week, the week must be a week for which you would have been eligible to receive benefits (STC, full or partial). (You will never receive payment for that waiting week.)

Q. Will retirement income, social security or earnings from a part-time job other than my STC employer affect my STC payments?

A. Retirement income from a base period employer may affect your STC payments, a determination will be made after you file your reemployment claim. Social Security will **not** be deducted from your STC payments. Earnings from an employer other than your STC employer will be deducted from your STC payment.

Q. What happens if my employer reduces my hours by more than 40% during a week?

A. IF your total earnings are less than your Weekly Benefit Amount (WBA), you will be paid regular full or partial reemployment. You will report the amount of money that you earned during the week from your STC employer and any other employment that you may have had during the week on your Certification card. The STC Unit will process these payment requests, if this occurs for less than a month. For longer periods you will be instructed to report to your local Jobs and Benefits office to file for regular reemployment.

Q. What will happen if I am totally laid off from my STC employer? Will I have any reemployment benefits left in my claim?

A. If you are totally laid off from your STC employer, you will report to your local Jobs and Benefits office to change your claim to a regular reemployment claim. Any STC or regular benefits paid to you from your claim will have been deducted from your total available credits (shown on your "Wage Transcript and Determination") but you will normally have money left in your claim. You will be paid regular reemployment benefits at your full WBA.

Q. If I am out sick or out of work for personal reasons and my employer had work for me, will I receive my STC benefits for the week?

A. If you are not paid for your time off, you will not receive your STC benefits for the week. If you are out on paid leave those hours of paid leave are considered hours worked and there is no penalty.

Q. How will holiday, vacation, sick or personal paid leave affect my STC benefits?

A. Any hours of paid leave are reported on your certification card as hours worked.

STATE OF FLORIDA
DEPARTMENT OF ECONOMIC OPPORTUNITY
REEMPLOYMENT ASSISTANCE



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EMPLOYEES**



Short Time Compensation...an alternative to full layoffs.