

How to get unemployment benefits while you're still employed

Up to 10,000 Portland-area workers are getting paid more while working less thanks to a layoff prevention program.

By Don McIntosh

As many as 10,000 Portland-area union members are getting paid more while working less, thanks to the creative use of a federally funded program meant to avert layoffs.

The program—known as Work Share—uses unemployment insurance funds to prevent workers from losing their jobs in the first place. The way it normally works, an employer reduces workers' hours, and the workers collect partial unemployment benefits. Instead of laying off 20% of its workers, for example, an employer could cut its workers' hours by 20%. Workers then get 80% of their regular pay, plus 20% of the weekly unemployment benefits they would have been entitled to if they'd been laid off. The way Work Share normally works, workers still see a reduction in income, because unemployment benefits only replace part of a

worker's income. On the other hand, workers get to maintain the health or other fringe benefits that they would lose in a layoff.

But the CARES Act, the stimulus bill Congress passed in March, totally alters the math of the Work Share program, because it awards a bonus \$600 a week to every successful unemployment insurance claimant. In the example above, workers who had their hours cut 20% would collect 20% of their regular weekly unemployment PLUS \$600 a week. That ends up being a big increase in income. The CARES Act also expands eligibility for the Work Share program to public employers and non-profits, which don't necessarily pay into the regular unemployment insurance system.

Portland Public Schools

Portland Public Schools was the first big local employer to take advantage of the new rules. District leaders approached the five labor organizations that represent district employees, and the

unions agreed: Since May 4, over 7,000 district employees—teachers, secretaries, custodians, and bus drivers—have been working four days a week instead of five. Employment Department officials say that's a record for the program, which had never previously been used for more than 750 workers.

"I don't think we could have sold our membership on it without that COVID bonus," said Belinda Reagan, president of Portland Federation of School Professionals, American Federation of Teachers Local 111.

Under the program's rules, a small number of employees weren't eligible for the Work Share program, either because they were newly hired, were on a leave of absence, or were retired pensioners who'd come back to work; the unions secured a commitment that those workers would continue to be paid their usual wages.

Because the Oregon Employment Department faces such a back log, school employees haven't received unemployment checks yet, but they'll get all the

money they're entitled to once checks are issued. Because most school employees are only employed through June 12, the benefits will stop at that point.

Reagan said the district estimates the program will save \$10 million, at a time when public schools in Oregon could face cuts in state funding because of the sudden recession.

Daimler truck plant

Daimler Trucks North America has also applied to take part in Work Share, with the cooperation of the four unions that represent its Portland truck plant workers. The problem at the Western Star truck plant has been supply chain disruptions, not the recession, says Machinists District Council W24 rep Dwain Panian. Intermittent shutdowns due to supplies running out have sent assembly line workers home several times since the plant reopened April 20. The next unpaid furlough was scheduled for June 5. If Daimler is approved to take part in Work Share, workers will actually come out ahead when they're furloughed.

"I think it's a great benefit, and it's a way the company can show they're looking out for our members," Panian said.

State colleges next?

Oregon AFL-CIO dislocated worker specialist John Irvine and his Portland counterpart Eryn Byram of Worksystems and Labor's Community Service Agency have spent weeks telling local union leaders about Work Share as a way to prevent layoffs. On May 20, Irvine and Byram pitched the program's merits to more than 80 union leaders and college administrators in Oregon's public higher education system. Service Employees Local 503 is looking to see if state universities and community colleges can take part.

Congress approved the extra \$600 weekly only through the end of July, and it's not clear if it will extend it further. The second-round stimulus bill that passed the U.S. House May 15 extended the enhanced benefit, but the bill got a cold reception in the majority-Republican Senate.

City of Portland unions agree to furloughs and still come out ahead

With bureau budgets threatened by sudden recession, the City of Portland asked City unions to agree to pay freezes and worker furloughs—measures the City already announced for its non-union employees.

AFSCME Local 189 President Rob Martineau said such concessions would have been a "non-starter" for the six-union 1,220-worker coalition known as the **District Council of Trade Unions (DCTU)**, but a federally funded program called Work Share made possible a compromise that will benefit both City budgets and City workers.

DCTU and the City reached tentative agreement May 28 that would extend the existing union contract six months, to Dec. 31. If ratified, the agreement would result in a temporary income bump courtesy of the federal government, followed by some shorter work weeks and a slight cut in earnings the second half of the year. The plan makes use of Work Share, a program that allows workers to collect partial unemployment benefits to com-

pensate for "partial" unemployment such as a one-day-a-week furlough. From now until late July, City workers will work fewer hours and still come out ahead economically because they'll receive a proportionate share of the weekly unemployment benefit plus the temporary \$600 a week "enhanced" unemployment benefit that Congress approved in March.

"I never thought I'd negotiate a concession in which my folks would end up with four to five thousand dollars more," Martineau told the *Labor Press* by phone.

Under the agreement, the City would furlough employees for up to 64 hours, and the goal is to do that before the enhanced benefits run out July 25.

After that, City workers would have the option to take voluntary schedule reductions—reducing hours to between 50% and 90% of full-time hours while maintaining full-time benefits and collecting partial unemployment benefits for the missed hours. The reductions would continue until May

31, 2021, except that workers can choose to resume normal hours as of Dec. 23 or at any time by mutual agreement with managers.

"The City's intent is to reduce salary costs without harming folks," Martineau told union members in a May 28 Zoom teleconference call explaining the tentative agreement.

The payroll savings are explicitly to prevent layoffs, and can't be used for other purposes. Union members would benefit from the initial income boost, Martineau said, and they may also appreciate the extra time off.

DCTU also agreed to delay until Jan. 1, 2021 an annual cost-of-living increase of 2.9% that would normally take place July 1. On the other hand, DCTU unions held firm and rejected a City proposal to freeze step increases—the annual wage increases that employees get until they reach the top step in the pay scale.

About 50 City workers won't qualify to take part in the Work

Share program because they have second jobs, have returned to work after retirement, or have been with the City less than six months. Under the agreement, those who aren't eligible for Work Share won't be required to take the furlough days.

The agreement comes after six weeks of bargaining between the City and the DCTU. The DCTU coalition includes AFSCME Local 189, Machinists Lodge 63, IBEW Local 48, Plumbers and Fitters Local 290, Operating Engineers Local 701, and Painters Local 10. Each union will present the agreement to members for a ratification vote, and the goal is to have the agreement ratified by June 5.

The City reached similar deals covering about 700 members of **Laborers Local 483** and 800 members of **Protec17**.

Local 483's existing contract wasn't due to expire until July 1, 2021, but after careful study of the City's financial situation, union negotiators agreed to 64 hours of furlough and a one-year freeze of pay step in-

creases. Those two measures will save the City \$2.4 million and prevent 35 layoffs. Members will still get the 2.9% cost of living increase scheduled for July 1. The agreement extends the contract through July 2022, except that the two sides will negotiate later a July 1, 2021 cost-of-living raise. Ratification votes will be counted June 8.

The agreement with Protec17 combines furlough days, voluntary schedule reductions and a deferred 2.9% cost-of-living increase. Protec17 members—engineering and professional employees—would be furloughed just 40 hours, not 64 like the others, but Protec17 also agreed to defer scheduled step increases for six months. The agreement with Protec17 modifies the union's existing contract with the City, which runs through June 30, 2021. A ratification vote was set for June 3, after this issue went to press.

The City was approved May 28 to enroll in the Work Share program and the reductions can start as early as June 1.