

NEWS RELEASE

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For Immediate Release.
Date: February 3, 2015

Contact: Kerry Koonce
Telephone: 515-281-9646

Iowa Workforce Development Receives \$1.04 million Unemployment Insurance Grant *Enhances Voluntary Shared Work Program*

DES MOINES - The U.S. Department of Labor awarded Iowa Workforce Development over \$1.04 million dollars to enhance the Voluntary Shared Work program for Iowa employers and affected employees.

The Voluntary Shared Work Program (VSW) is intended for use as an alternative to layoffs and has been an effective tool for Iowa businesses experiencing a decline in regular business activity. Under VSW, work reductions are shared by reducing employees' work hours and Unemployment Insurance (UI) partially replaces lost earnings.

"The Voluntary Shared Work program allows companies to avoid layoffs and permits employees to stay connected to their jobs while the employers maintain a skilled workforce for when business improves, stated Iowa Workforce Interim Director, Beth Townsend. "This grant provides an opportunity for Iowa to significantly expand the program and streamline the process for Iowa businesses and workers."

The grant funds will be utilized to create a web portal for employers to electronically submit applications for the VSW program and monitor the status of their specific application. IWD will develop a new, customer-friendly initial and continued claim within the portal for the employees participating in the VSW program. Finally, IWD will develop new educational materials and conduct active outreach to employers regarding the benefits of the program.

The Voluntary Shared Work program provides numerous benefits to both the employer and the affected employees. Employers can maintain productivity and quality levels; sustain the ability to expand operations quickly as the business environment improves; and reduce training costs by keeping a skilled workforce intact. Additionally, the employees will maintain a higher family income than unemployment insurance benefits alone provide; sustain workplace benefits such as health insurance; and maintain job tenure.

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