

Temporary Changes To The Work-Sharing Program In Response To U.S. Tariffs



The Government of Canada has announced temporary changes to the Work-Sharing Program to assist workers affected by economic challenges stemming from the ongoing tariff issues with the United States.

These changes are an effort to safeguard employees' job security by streamlining access to the program for businesses so that they may avoid layoffs in the face of economic uncertainty.

Temporary Changes to the Work Sharing Program

The [Work Sharing Program](#) is three-party agreement between Service Canada, an employer, and a group of employees who have agreed to share in a reduction of work. In a Work Sharing agreement, employees share in the balance of work that is left after a reduction and collect partial Employment Insurance (EI) [benefits](#) for the amount by which their hours have been reduced.

The goal of the program is to provide income support to employees to help employers avoid laying off employees when there is a temporary decrease in business activity beyond the control of the employer. Once business conditions improve, employers should return workers to their previous employment arrangement. Work Sharing Programs are temporary, initially running up to 26 weeks, extendable to a maximum of 38 weeks.

Effective Friday, March 7, 2025, the Federal Government introduced temporary special measures to the Work Sharing Program. These changes are designed to help businesses manage a decline in business activity attributable to the threat or potential realization of U.S. tariffs, in an effort to avoid layoffs. These adjustments also provide expanded eligibility to support a broader range of workers, who bear the brunt of the economic effects of U.S. tariffs.

Key Enhancements to the Program

Employment and Labour Minister Steven MacKinnon announced several significant changes to the Work Sharing Program designed to facilitate the use of the Work Share Program. These changes include:

- extending the duration of Work Sharing agreements up to 76 weeks
- expanding eligibility of employees to those who are not year-round, permanent,

- full-time or part-time employees, specifically employees in cyclical or seasonal jobs, and employees assisting the employer in recovery efforts
- expanding eligibility for employers to include for-profit businesses, charitable organizations, and cyclical or seasonal employers
- expanding eligibility to employers experiencing a decrease in work activity over the past six months of less than 10% and allowing utilization of Work Sharing to exceed 60%

The government's stated goal is to protect jobs by allowing employees to stay on payroll with reduced hours rather than facing unemployment, providing financial relief to workers through EI benefits while maintaining their employment status, and support businesses by helping them retain skilled workers without the need for layoffs.

How This Affects Employees and Employers

Importantly, this step falls short of making emergency modifications to the EI program or providing a Wage Subsidy Program, as was done in response to the Covid 19 pandemic with the Canada Emergency Response Benefit and the Canada Emergency Wage Subsidy. These changes to the Work Sharing Program do not require legislative approval, and further measures may be provided when Parliament returns from being prorogued on March 24, 2025.

Minister MacKinnon assured workers that participation in the Work Sharing Program will not impact their future eligibility for full EI benefits should they be laid off at a later date. For employees, the expansion of this program means increased job security during economic fluctuations, however they remain reliant on their employer to take advantage of the Work Sharing Program in order to benefit.

For employers, these changes provide streamlined access to the Work Sharing Program to try to weather upcoming economic downturn without resorting to layoffs. If your business is experiencing reduced demand due to tariff-related impacts, [Work Sharing may be a viable solution](#) to protect employees and ensure long-term stability.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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