



HRLive Client Update

August 21, 2020

CHANGES TO THE EI PROGRAM

The federal government announced some temporary, one-time changes to the EI (Employment Insurance) system that will expand eligibility significantly.

A new “simplified” EI program will become effective September 27, 2020. As a result, CERB, which was supposed to end this month, has been extended by an additional 4 weeks to dovetail with the revised EI program. This means that workers who began CERB in March and who would otherwise have had their CERB benefit end this month, can now continue to claim the benefit for an extra four weeks (another \$8 billion will be added to what is expected to be at least a \$350 billion deficit this year).

Under the new program, workers will need to have worked only 120 hours (as little as 3 weeks) in the last year to qualify for a minimum EI benefit (\$400 weekly) for 26 weeks. Those with more insurable hours will qualify for higher benefits and part-time work earnings will be permissible and can be adjusted for, just as in the current EI program.

At the same time that EI benefits are set to increase dramatically, the EI premium rate charged to employers and employees will be frozen at their current levels for the next two years.

THREE NEW BENEFITS FOR EI INELIGIBLE CLAIMANTS

Three new Recovery Fund benefits will become available September 27, 2020. For now, the government indicates these new benefits will expire in one year. Absent an electoral change, we nonetheless expect a continuation and further liberalization of these programs as the current government continues a very hard bank to the left.

The Canada Recovery Benefit

Those who have stopped working due to COVID-19 but who remain *ineligible* for the new EI programs, because they have not contributed to EI (e.g. the self-employed, gig workers) will be eligible for the new Canada Recovery Benefit. Provided claimants had an income of at least \$5,000 in either 2019 or 2020 (and are not refusing work), they can expect to receive \$400 per week of taxable benefit for up to 26 weeks from EI. Claimants will have to repay a portion of these benefits if their income for the year exceeds \$38,000 (excluding received benefits).

Canada Recovery Sickness Benefit

This taxable benefit provides \$500 per week for up to two weeks in a one-year period (starting from September 27th) for workers who are unable to work because they are sick or must self-isolate due to COVID-19. Claimants must be either employed or self-employed at their time of their claim and have earned at least \$5,000 in 2019 or 2020. Workers must have missed a minimum of 60% of their scheduled work week. Medical certificates will not be required.

Canada Recovery Caregiving Benefit

For Canadians who are unable to work because of caregiving responsibilities for either children under the age of 12 or a family member with a disability or dependent, the government has announced the Caregiver Benefit which will provide claimants with \$500 per week for up to 26 weeks per household. Claimants must have earned a minimum of \$5,000 in 2019 or 2020 and been unable to work for at least 60% of their normally scheduled work week.

Eligible caregiving situations include where schools and daycares are closed or where they may be operating on limited or alternative schedules. It also includes situations where a dependent cannot attend school or daycare under the advice of a medical professional, or where a usual caregiver is unavailable for reasons related to COVID-19. **At the moment, this program does not appear to provide benefits to parents with children over 12 years of age, or those who simply decide to keep their children home from school or daycare, unless the situation qualifies under one of the above criteria.**

We will continue to keep you updated on new developments as they occur.

In the meantime, stay safe and stay well.

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