



On March 18, 2020, the Prime Minister announced a new set of economic measures to help stabilize the economy during this challenging period. These measures, delivered as part of the Government of Canada's COVID-19 Economic Response Plan, will provide direct support to Canadian workers and businesses.¹

How did the Government of Canada's announcement change Employment Insurance?

The Government of Canada has proposed important changes to Employment Insurance (EI) sickness benefits, the Canadian Emergency Response Benefit, and proposed to double the maximum of the good and service tax credit (GSTC) and increase the Canada Child Benefit (CCB).

[Legislative Authority: Bill C-13 \(Royal Assent, 25 March 2020\)](#)

Temporary Income Support for Workers and Parents

For Canadians without paid sick leave (or similar workplace accommodation) who are sick, quarantined or forced to stay home to care for children, the Government is:

- Waiving the one-week waiting period for those individuals in imposed quarantine that claim [EI sickness benefits](#). This temporary measure came into force of March 15, 2020;
- Waiving the requirement to provide a medical certificate to access EI sickness benefits.

The basic rate used to calculate EI sickness benefits is 55% of average insurable weekly earnings, up to a maximum amount. In 2020, the maximum amount is \$573 a week
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Canada Emergency Response Benefit

If you have lost income because of COVID-19, the Canada Emergency Response Benefit (CERB) will provide you with temporary income support. The CERB will provide you with \$500 a week for up to 16 weeks.

Eligibility

The benefit will be available to workers:

- Residing in Canada, who are at least 15 years old;
- Who have stopped working because of COVID-19 or are eligible for Employment Insurance regular or sickness benefits;
- Who had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application;
- Who are or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period. For subsequent benefit periods, they expect to have no employment income.

¹ <https://www.canada.ca/en/department-finance/economic-response-plan.html#individual>

BACKGROUND – 25 MARCH 2020

EMPLOYMENT INSURANCE UPDATES & CONSIDERATION OF SUPPLEMENTAL UNEMPLOYMENT BENEFIT (SUB) PLANS



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How to apply

- We will start accepting applications on April 6. Prior to April 6, individuals who are without work and are eligible for EI can continue to [apply for Employment Insurance](#).

Also put into place is the Work-Sharing Program - Temporary special measures for the downturn in business due to COVID-19

[Work-Sharing \(WS\)](#) is an adjustment program designed to help employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity that is beyond the control of the employer. The measure provides income support to employees eligible for Employment Insurance benefits who work a temporarily reduced work week while their employer recovers

For all related updates and a recent article on how members can apply for EI benefits consult the [PSAC website](#)

- For more information on the other measures announced designed to support workers you can consult : <http://psacunion.ca/psac-welcomes-government-measures-to-support-workers>

What do these changes mean for our members in the context of collective bargaining?

Because the changes to EI sickness benefits announced by the Federal government are not designed to compensate for the complete loss of salary our members may suffer financial difficulties in several different ways related to COVID-19. **Wherever it is the possible, we should try to negotiate supplemental unemployment benefits payment equal to 95% of the employee's normal weekly earnings.** The federal supplemental unemployment benefit program provides for options to further subsidize employees with EI benefits while they are temporarily on a leave without pay. With EI replacing only 55 percent of previous earnings, a SUB payment helps to further reduce the net loss of earnings.

[Negotiating Supplemental Unemployment Benefits \(SUB\) Program Plans](#)

Advantages of a SUB Plan

- Employers use SUB plans to increase the employee's weekly earnings during periods of unemployment. Payments from registered plans are not deducted from the employee's EI benefits (pursuant to [subsection 37\(1\)](#) of the EI Regulations).
- Payments under a registered SUB plan are not considered as insurable earnings; therefore, EI premiums are not deducted.

This program allows employers to register Supplemental Unemployment Benefit (SUB) plans that meet the requirements of [subsection 37\(2\) of the Employment Insurance Regulations](#). The purpose of a SUB plan is to provide supplemental payments to Employment Insurance (EI) benefits during a period of unemployment due to:

- temporary stoppage of work;
- training;
- illness, injury or quarantine (**employee must be in receipt of EI sickness benefits**).



The employer chooses which of the above-mentioned types of unemployment to supplement.

[Plan Document\(s\)](#)

The SUB plan must include a complete description of the benefits and must meet the conditions listed in [Part I – Plan Requirements](#).

[If required, linked here is the information for contacting the ESDC's SUB Program](#)

Other Considerations

Employees could avail themselves of other earnings while collecting EI benefits. Relative to the EI SUB plan, this scenario and the calculations related to it are as follows:

[Employment Insurance – Working While on a Claim](#)

The Federal Government has yet to indicate how Working While on a Claim will be impacted by the proposed changes to the Employment Insurance. Usually, relative to the 'Working While on Claim', If you earn money while receiving EI benefits, you can keep 50 cents of your benefits for every dollar you earn, up to 90 percent of your previous weekly earnings (roughly four and a half days of work). Above this cap, your EI benefits are deducted dollar-for-dollar. The claimant must report all earnings. Both sides may wish to consider these possible other earnings and the EI benefit amount when negotiating a SUB payment. Refer to example 2 below for the difference in the SUB payments.

Working While on a Claim could be beneficial for employees experiencing loss of earnings following a change to their employment status because of COVID-19. However, an employee is not eligible to receive EI benefits if they work a full week, regardless of the amount they earn.

Employees experiencing changes to employment status should:

- Collect all correspondence with employer.
- Collect all policy employer has sent.
- Record employment situation previous to lay-off (PT/FT/Casual, hours, schedule).
- Record every day:
 - Why you are at home (childcare, self-isolation, sick, etc.).
 - Why the employer thinks you are at home (sick leave, vacation, personal days, etc.)
 - Efforts made to gain EI, sickness, and/or income supports.

[Employment and Social Development Canada's SUB Plan Sample \(included below\)](#)

The following sample contains all the information required in a SUB plan. **The information in bold should be included in your plan description.** Any information following the asterisk (*) is an example and should be replaced with information reflecting your own situation.

Details on each of the following items are found in [Part I – Plan Requirements](#).



**Letter of Understanding
Between
EMPLOYER
(Hereinafter referred to as the "Employer")
And
The Public Service Alliance of Canada
(Hereinafter referred to as the "Union")
RE: COVID-19**

WHEREAS the Parties have a mutual desire to support the goals and direction of Public Health Ontario to minimize the impact of the COVID-19 on our workplaces and the community, and

WHEREAS the Employer and the Union recognize the importance of protecting Employee wellbeing during the current pandemic, and

WHEREAS income security is a crucial component of wellbeing,

THEREFORE, the Parties agree that the Employer will establish a Supplementary Unemployment Benefits (SUB) Plan with the following terms, and will register the plan with Service Canada as soon as possible:

1. **The following group(s) of employees is/are covered by the plan* All employees represented by UNION at EMPLOYER**
2. **The plan will supplement EI benefits for periods of unemployment caused by* temporary work stoppage (e.g., quarantine, care of ill family member, etc.)**
3. **Verification that the employees have applied for and are in receipt of EI benefits will be made before SUB payments are paid.**
4. **The SUB is payable at* 95% of the employee's normal weekly earnings while* the employee is serving the one-week EI waiting period.**
5. **Please choose one of the following options: REQUESTING OPTION B**
 - **Option A** (percentage or fixed amount): **The benefit paid under this plan is set at* 40% of the employees' normal weekly earnings or \$300 (fixed amount). The weekly SUB payment, plus the gross amount of EI benefit from this employment will not exceed 95% of the employee's normal weekly earnings.**
 - **Option B** (automatic adjustment): **The plan provides that the gross amount of EI benefit from this employment plus the SUB payment will equal* 95% of the employee's normal weekly earnings.**

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- **Option C (other earnings considered):** The plan provides that the SUB payment, any other earnings, plus the EI benefit from this employment will equal* 95% of the employee's normal weekly earnings.
6. The SUB benefit will be paid for* Duration of the temporary work stoppage.
 7. a) The duration of the plan is from* May 1, 2020 to December 31, 2020.
b) Service Canada - SUB Program will be informed in writing of any change to the plan within thirty (30) days of the effective date of the change.
 8. a) The plan is financed* by the employer's general revenues.
b) A separate record of all the SUB payments will be kept.
 9. Payments of guaranteed annual remuneration, deferred remuneration, or severance pay will not be reduced or increased by payments received under the SUB plan.
 10. This plan provides for an offset of EI benefits that may have to be repaid as part of the employee's income tax return. The weekly gross EI benefit from this employment, the SUB payments previously paid plus this offset amount will not exceed 95% of the employee's normal weekly earnings.
 11. On termination of the plan, all remaining assets will revert to the employer, be used for SUB payments and/or be used for the administrative costs of the plan.
 12. Employees do not have a right to SUB payments except during the period of unemployment specified in the plan.

Signature(s) of authorized officer(s).

Date* [date of signing]

The Parties agree that these terms are a temporary response to COVID-19 Public Health concerns.

All of which is agreed, this _____ day of March 2020, By:

On Behalf of the Union / Date

On Behalf of the Employer / Date