



# What's next with EI and CERB?

(As of October 1, 2020) Updates at [usw.ca/covid19](https://usw.ca/covid19)

The final Canada Emergency Response Benefit (CERB) eligibility period ended on Sept. 26. At that time, workers who are still unemployed will be eligible for a new Employment Insurance (EI) claim or one of three new recovery benefits. To increase access to EI, the entry requirements have been temporarily “simplified”.

Current CERB recipients who receive CERB through Service Canada and who are eligible for simplified EI will be seamlessly transitioned to EI. Those who receive CERB through the Canada Revenue Agency (CRA) will need to apply. If a worker is ineligible for simplified EI, they will likely be eligible for one of the recovery benefits.

## Simplified EI

### Setting national unemployment rate at 13.1%

Previously, an EI regular-benefit claimant needed between 420 and 700 hours of insurable employment, depending on the unemployment rate in their EI economic region. Setting the national unemployment rate at 13.1% means all applications will be treated as if the

regional unemployment rate was at least 13.1%. If the unemployment rate in your region is above 13.1%, you will still be eligible for the additional weeks of benefits provided for under the old rules.

### Insurable hours credit

Applicants for EI regular and special benefits will receive a one-time credit of insurable hours: 300 hours for regular benefits and 480 hours for special benefits. The

hours credit, along with setting the national unemployment rate at 13.1%, sets the hours requirement for EI benefits at 120 hours.

### Benefit floor

The amount and duration of EI benefits is based on a percentage of regular earnings and the number of insurable hours accumulated during the qualifying period.

Simplified EI introduces a benefit floor of \$500/week (\$300 for extended parental benefits), for a minimum of 26 weeks.

### Freezing EI premiums

EI premium rates will be frozen for two years. The 2020 rates were 1.58% for employees and 2.21% for employers

up to maximum insurable earnings of \$54,200.

### How is “simplified” EI different than CERB?

Working while on a claim: CERB claimants could earn up to \$1,000 before becoming ineligible for the CERB

or having to pay it back. Under the EI program, you can keep 50 cents of your benefits for every dollar you earn.

SUB plans: Payments from Supplemental Unemployment Benefit (SUB) plans counted towards the \$1,000 permitted income for CERB claimants. Under the EI program, earnings from SUB plans are not deducted from EI benefits.

Higher and lower benefits: The CERB benefit was a flat \$500 for all claimants. Under the EI regular benefits program, you can receive up to \$575.

## New recovery benefits

The federal government plans to introduce three new recovery benefits to assist workers who are ineligible for EI, need to self-isolate or care for a loved one. The government has announced its intention to create these programs, but at the beginning of September, legislation has yet to be passed.

The three recovery benefits will be available for one year.

### Canada Recovery Benefit

An EI-like benefit for those who are ineligible for EI, including the self-employed and gig-economy workers. The benefit will be \$500 a week for up to 26 weeks.

- Workers must have either stopped working due to COVID-19 or have had their employment income reduced for reasons related to COVID-19.
- Claimants must have earned a least \$5,000 in 2019 or 2020 and be available and looking for work.
- Claimants who find employment while in receipt of benefits will be able to keep 50 cents of benefits for every dollar of their annual income over \$38,000.

### Canada Recovery Sickness Benefit

A benefit of \$500 a week for up to two weeks, available for workers who are sick or must self-isolate due to COVID-19.

- Workers must miss a minimum of 60% of their scheduled work in the benefit period.
- Available for employed and self-employed individuals.
- Must have earned at least \$5,000 in 2019 or 2020.
- No medical certificate required. The benefit will be attestation based.
- Workers cannot claim the Canada Recovery Sickness Benefit and receive other paid sick leave benefits in the same period.

### Canada Recovery Caregiving Benefit

A benefit of \$500 a week per household for up to 26 weeks for caregivers of children under 12 or family members and dependents with a disability. It is only available for workers who miss work because their normal caregiving arrangement is untenable due to COVID-19. For example, a school is closed due to a COVID-19 outbreak, or a normal caregiver is unavailable due to COVID-19.

- Must be employed or self-employed immediately prior to applying.
- Must have earned at least \$5,000 in 2019 or 2020.
- Unable to work for at least 60% of normally scheduled work.
- Cannot be combined with employer-paid leave or the CERB, EI or QPIP.

