

THE TRANSITION



Post-CERB Benefits and E.I.

A Review for Legal Clinic Staff

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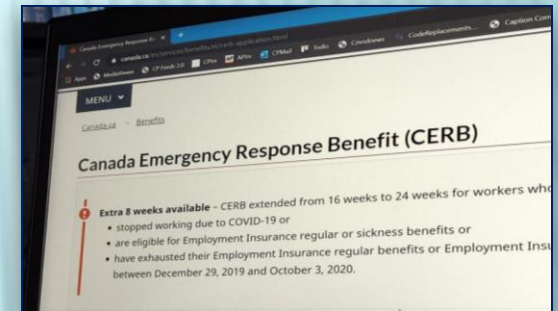
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CERB Benefits Winding Down

- ▶ 8.7 million people have received the Canada Emergency Response Benefit (CERB) since March 15 when the COVID-19 pandemic emergency was announced.
- ▶ Over 4 million have since returned to work.
- ▶ But others have not been able to return.
- ▶ Or they are working reduced hours.
- ▶ The labour market recovery will be a rocky road during COVID.
- ▶ In August, the federal government announced a 4 week extension of the Canada Emergency Response Benefit.
- ▶ The new maximum CERB period is now 28 weeks.
- ▶ The final benefit period ends Sept. 26 for most claimants.



So... What's Next ?

- ▶ On August 20 the government announced that income benefits would shift from the Emergency stage to a Transition stage, the first step on the road to recovery.
- ▶ The new measures include:
 1. “A more flexible and generous” EI program that is easier to qualify for. These changes have already been made by Interim Orders.
 2. Three temporary recovery benefits for those who do not qualify for EI . These benefits are still subject to a vote in Parliament after MPs return Sept. 23.

From Emergency To Recovery

Emergency Stage

- * Canada Emergency Response Benefit (CERB)
- * Canada Emergency Student Benefit (CESB)

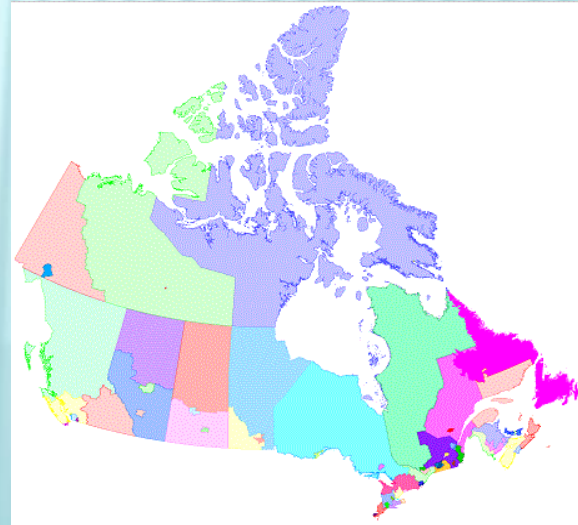
Transition Stage

1. Enhanced E.I. (by Interim Orders)
2. Recovery Benefits (subject to Parliament)

Next Recovery Stage

Enhanced Employment Insurance

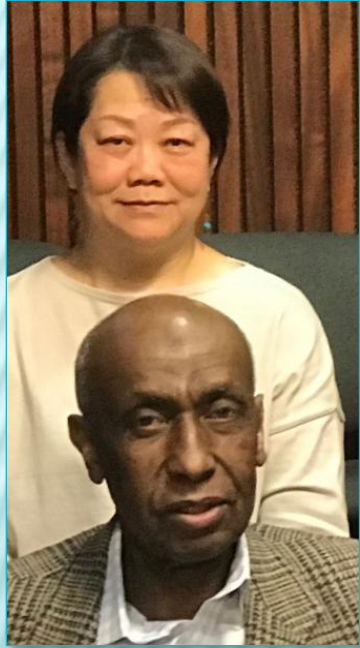
- ▶ Effective Sept 27 for one year, these are the key **temporary** measures to facilitate EI access:
 - ✓ 120 hours of work to qualify
 - ✓ Canada-wide qualifying rule (same for all 62 EI Regions)
 - ✓ a minimum benefit rate of \$400 weekly
 - ✓ at least 26 weeks of benefits; maximum 45 weeks
 - ✓ simplified processing.



Enhanced E.I. QUALIFYING HOURS

- ▶ A Canada-wide Qualifying Hours rule applies until Aug 7, 2021.
- ▶ As a result of setting a 13.1% unemployment rate or higher for all 62 EI regions, Regular EI benefits (job loss) now require 420 hours... **before** applying the 'COVID Hours Credit'.
- ▶ Special EI benefits still require 600 hours (for parental, sickness, etc.)... **before** applying the 'COVID Hours Credit'.
- ▶ For the next year, a one-time **COVID Hours Credit** will allow workers to qualify with **120 Insurable Hours on new claims**:
 - 300 Hours Credit for Regular EI (+ 120 = 420 hours)
 - 480 Hours Credit for Special EI (+ 120 = 600 hours)
- ▶ For maternity, parental, compassionate care, family caregiver and Work Sharing benefits, the Hours Credit is retroactive to March 15, 2020 – as well as the qualifying period.

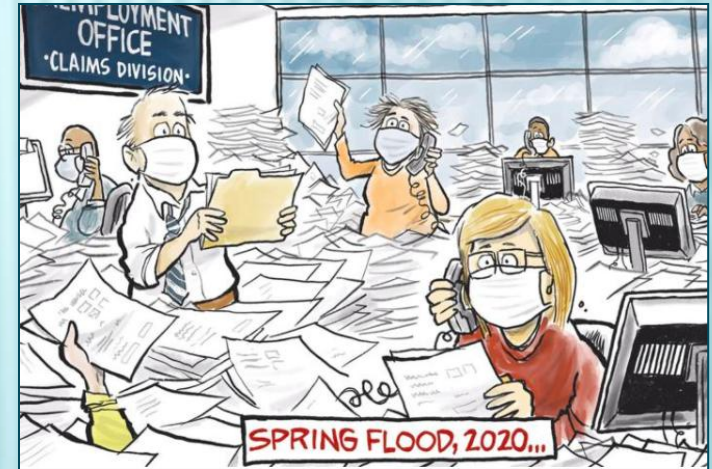
Enhanced E.I. BENEFIT RATES



- ▶ A **minimum \$400 weekly** EI benefit rate (taxable) for new EI claimants and those coming off CERB will help low-waged and precariously employed workers to make ends meet.
- ▶ (minimum \$240 weekly applies to workers who choose the “Extended” parental benefit plan based on a 33% instead of 55% rate).
- ▶ Workers eligible for a higher benefit rate will get the higher rate (to a maximum of \$573 weekly).
- ▶ Benefit rates are calculated on a worker’s **best 14 weeks of earnings**. As a further help, if workers have less than 14 weeks of work, EI will use their average pay during the actual weeks of work.

Enhanced E.I. PROCESSING

- ▶ The 1 week EI waiting period is temporarily waived for workers transitioning directly from CERB to EI. It is also waived for new claims if the worker must quarantine for COVID-19. All others will have to serve a 1 week waiting period for EI.
- ▶ It's confirmed that Separation payments (like severance and termination pay) will no longer be applied against EI benefits.
- ▶ ROEs with 'other' as the reason for separation normally mean delays for an investigation. Now ROEs are being 'pre-worked' to save time.



Enhanced E.I. HOW TO APPLY

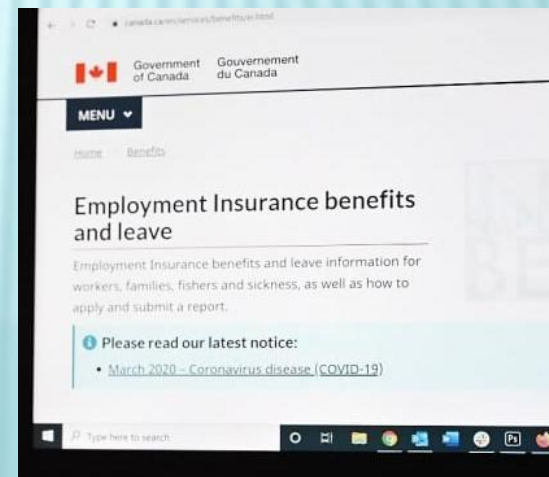
- Workers who applied for CERB as an ‘employee’ through the Service Canada side (CERB-EI) will be transitioned to EI **automatically** after they receive the maximum CERB, provided they are EI-eligible and continue to need income support.
- They must continue to make an EI report every 2 weeks to receive EI benefits.
- Workers who applied for CERB through the Canada Revenue Agency side (CERB- CRA) **but believe they are entitled to EI** will need to apply through Service Canada after September 26.
- If advocates require assistance on an EI claim, they can use <https://sr-ds.powerappsportals.com/en/service/> .

Enhanced E.I. EARNINGS WHILE ON E.I.

- ▶ Workers who've been on CERB and transitioning to EI need to know about the EI “Working While on Claim” rule.
- ▶ About half of all EI claimants report some earnings from occasional work while they're receiving EI. There may be even more workers in this situation during COVID.
- ▶ EI allows “Working While on Claim” but deducts 50¢ for every \$1 earned (up to 90% of normal earnings) as reported weekly.
- ▶ **For example:** a worker on EI with a \$475 benefit rate is offered one shift each week. She is paid \$150. EI will deduct half of that (\$75) from her EI benefits. In total the worker receives \$150 pay + \$400 EI = \$550.

Enhanced E.I. OTHER ISSUES

- ▶ EI benefits are taxed at source (unlike delayed taxes for CERB).
- ▶ **EI premiums are frozen** at 2020 levels for 2 years
 - Employees at \$1.58 per \$100 of insurable earnings
 - Employers at \$2.21 per \$100 of insurable earnings.
- ▶ There are other temporary measures, for example, self-employed fish harvesters will be allowed to use their most advantageous earnings period.



New RECOVERY Benefits

- ▶ 3 temporary benefits in place for 1 year
- ▶ The benefits are for self-employed workers (like gig workers) and other workers when they're not eligible for EI
- ▶ Some details are not available because the legislation **must still be voted on by Parliament after MPs return on Sept 23**. That means there could be changes.
- ▶ The government has said that if the vote is delayed, the improvements will be **retroactive to Sept. 27**.
- ▶ Unlike CERB, the 3 Recovery benefits are to be **taxed at source** (front-end) and **paid in arrears** (not ahead of time).
- ▶ Attestation reports will be every 2 weeks (for previous 2 weeks).

3 RECOVERY Benefits

1. Recovery Benefit
2. Recovery Caregiving Benefit
3. Recovery Sickness Benefit



1. Canada RECOVERY BENEFIT

- ▶ \$400 per week for up to 26 weeks, taxable
- ▶ Effective Sept 27, for 1 year
- ▶ For self-employed or workers not eligible for EI
- ▶ Qualifying Rules (similar to CERB):
 - at least 15 years old
 - resident in Canada, with a valid Social Insurance Number
 - \$5,000 employment earnings in 2019 or 2020;
 - stopped working due to COVID
 - did not quit their job voluntarily
 - available and looking for work; OR working with a reduction in employment/self-employment income due to COVID
 - not eligible for Employment Insurance.

1. Canada RECOVERY BENEFIT cont

- ▶ Attest every 2 weeks that they continue to meet the conditions
- ▶ While receiving the Recovery Benefit, workers can earn income from employment or self-employment if they meet the other conditions. HOWEVER if their net annual income (excluding the Recovery Benefits) is more than \$38,000 they will have to re-pay 50¢ of the Benefit for each dollar above that amount (to a maximum of total benefits).



2. Canada Recovery CAREGIVING BENEFIT

- ▶ \$500 weekly for up to 26 weeks per household, taxable
- ▶ To provide care for a child, family member or dependent
- ▶ To qualify:
 - employed or self-employed on day preceding benefit period
 - at least 15 years old on first day of the benefit period
 - reside in Canada, with a valid Social Insurance Number
 - earned at least \$5,000 in 2019 or in 2020
 - not in receipt of employer paid leave for the same week
 - not be in receipt of CERB, Canada Recovery Benefit, Canada Recovery Sickness Benefit, short-term disability benefits, workers' comp benefits, or EI benefits or Quebec Parental Insurance Plan (QPIP) benefits in respect of the same week.

2. CAREGIVING BENEFIT CONT.



- ▶ Unable to work most of their normal schedule in a given week (missing at least 60%) because of **one of these 2 conditions**:
 1. Must take care of **a child who is under 12 years of age** (as of the first day of applicable benefit period), **or**
 2. Must care for **a dependent or family member with a disability**.
- ▶ The following conditions must also apply:
 - School, daycare, day program or care facility is closed on an alternative schedule for reasons related to COVID; **or**
 - They can't attend on advice of a medical professional due to high risk if they contract COVID; **or**
 - Usual caregiver isn't available for reasons related to COVID.
 - (Workers who prefer to keep dependents at home when facilities are open are not entitled to the benefit.)

3. Canada Recovery SICKNESS BENEFIT

- ▶ \$500 weekly for up to 2 weeks, taxable
- ▶ Effective Sept 27, for 1 year
- ▶ For workers who are sick or who must quarantine or self-isolate for reasons related to COVID-19.
- ▶ Qualifying applicants
 - Resident in Canada
 - At least 15 years old
 - Valid Social Insurance Number (SIN)
 - Earned at least \$5,000 in 2019 or in 2020.
- ▶ (Benefit is related to government's promised 10 paid sick days)

Canada Recovery Benefits HOW TO APPLY

- The government plans to have the Canada Revenue Agency (CRA) administer the 3 Canada Recovery Benefits
- Workers would apply through the CRA website.
- The government announced “In the coming weeks, the CRA will provide more details on how and when Canadians can get ready to apply at www.canada.ca/coronavirus.”



Canada Recovery Benefits and E.I.

At this time, we understand that **if** an EI-premium payer:

- ▶ meets the qualifying rules for the **Recovery Caregiving Benefit**, they can apply for it since EI does not offer an equivalent benefit. (Recovery Caregiving Benefits will likely be deducted from any future EI benefit period during the next 52 weeks).
- ▶ meets the qualifying rules for the **Recovery Sickness Benefit**, they can choose that benefit for a 2 week period when they are sick or must quarantine or self-isolate for reasons related to COVID-19 (instead of applying for EI Sick Benefits).
- ▶ It is expected that such workers will have to apply for Recovery Caregiving or Sickness benefits through Canada Revenue (CRA) and if applicable, stop reporting to EI.

E.I. INTERIM ORDERS

As of September 10, 2020:

Interim Order Amending EI Act (EI Emergency Response Benefit): SOR/2020-61
<http://gazette.gc.ca/rp-pr/p2/2020/2020-04-15/html/sor-dors61-eng.html>

Interim Order No. 2 Amending EI Act (EI Emergency Response Benefit): SOR/2020-88
<http://gazette.gc.ca/rp-pr/p2/2020/2020-04-29/html/sor-dors88-eng.html>

Interim Order No. 3 Amending EI Act (EI Emergency Response Benefit): SOR/2020-89
<http://gazette.gc.ca/rp-pr/p2/2020/2020-04-29/html/sor-dors89-eng.html>

Interim Order No. 4 Amending EI Act (EI Emergency Response Benefit): SOR/2020-95
<http://gazette.gc.ca/rp-pr/p2/2020/2020-05-13/html/sor-dors95-eng.html>

Interim Order No. 5 Amending EI Act (EI Emergency Response Benefit): SOR/2020-141
<http://gazette.gc.ca/rp-pr/p2/2020/2020-07-08/html/sor-dors141-eng.html>

Interim Order No. 6 Amending EI Act (EI Emergency Response Benefit): SOR/2020-169
<http://gazette.gc.ca/rp-pr/p2/2020/2020-08-05/html/sor-dors169-eng.html>

Interim Order No. 7 Amending EI Act (EI Emergency Response Benefit): SOR/2020-173
<http://gazette.gc.ca/rp-pr/p2/2020/2020-08-19/html/sor-dors173-eng.html>

Economic Response Plan Updates

www.canada.ca/en/departement-finance/economic-response-plan.html

(updated regularly with more details on EI and Recovery Benefits)

The screenshot shows the official website of the Government of Canada for the Economic Response Plan. At the top, there is a header with the Canadian flag, the text 'Government of Canada' and 'Gouvernement du Canada', a search bar labeled 'Search FIN', and a language selector for 'Français'. Below the header is a 'MENU' dropdown. The main content area features a breadcrumb trail: 'Canada.ca > Coronavirus disease (COVID-19) > Canada's response'. The title 'Canada's COVID-19 Economic Response Plan' is prominently displayed. A paragraph states: 'The Government of Canada is taking immediate, significant and decisive action to support Canadians and businesses facing hardship as a result of the COVID-19 outbreak.' Below this, a section titled 'On this page' lists four links: 'Support for individuals', 'Support for businesses', 'Support for sectors', and 'Support for organizations helping Canadians'. Further down, a section titled 'Support for individuals' contains a list of specific benefits: 'Canada Emergency Response Benefit (CERB)', 'Changes to Employment Insurance', 'Canada Recovery Benefit (CRB)', 'Canada Recovery Sickness Benefit (CRSB)', and 'Canada Recovery Caregiving Benefit (CRCB)'. A 'Rectangular' button is visible on the right side of the page.

Government of Canada / Gouvernement du Canada

Search FIN

Français

MENU

Canada.ca > Coronavirus disease (COVID-19) > Canada's response

Canada's COVID-19 Economic Response Plan

The Government of Canada is taking immediate, significant and decisive action to support Canadians and businesses facing hardship as a result of the COVID-19 outbreak.

On this page

- [Support for individuals](#)
- [Support for businesses](#)
- [Support for sectors](#)
- [Support for organizations helping Canadians](#)

Support for individuals

- ▶ Canada Emergency Response Benefit (CERB)
- ▶ Changes to Employment Insurance
- ▶ Canada Recovery Benefit (CRB)
- ▶ Canada Recovery Sickness Benefit (CRSB)
- ▶ Canada Recovery Caregiving Benefit (CRCB)

Advocacy Tips



- ▶ get and keep copies of key documents on file, including:
 - medical notes
 - Records of Employment (ROE)
 - pay stubs
- ▶ write down incidents in detail, preferably while memories are still fresh
- ▶ save articles or news that show the COVID 19 context for your client
- ▶ more advocacy? Inform EI Working Group of your concerns. Send them stories.

EI Working Groups Call For E.I. Reforms

Back in April, the *Ontario Legal Clinics* EI Working Group and *Good Jobs for All Coalition* EI Working Group called for:

1. Waiving the 1 week waiting period;
2. Expanding eligibility to those with 360 insurable hours;
3. Eliminating the 'quit/fire' disqualification rule
4. Increasing the benefit rates.

Clearly, when we advocate for our clients and the community, we can make a difference. Some of the EI changes reflect this. But they are temporary. We have more work ahead.

And Now... WHAT'S NEXT?

We still need further thinking, action and advocacy:

- Clarifications: Who's covered ? Who's not ?
- Permanent improvements in EI and income security ?
- Other social supports (universal social programs for child care, long term care, affordable housing, pharmacare, etc) ?
- Other ??



Contacts

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- **Income Security Advocacy Centre**
416-597-5820 x 5156
qureshn@lao.on.ca
- **Good Jobs for All Coalition**
communications@goodjobsforall.ca
- **Public Legal Information: YouTube Videos**
www.youtube.com/channel/UCXcvPC6CPC9M0QLnVJ9FyOg

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