



## CHANGES TO EMPLOYMENT INSURANCE, CANADA EMERGENCY RESPONSE BENEFIT AND NEWLY IMPLEMENTED RECOVERY BENEFITS

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The Government of Canada is transitioning to a simplified Employment Insurance (“EI”) program, effective September 27, 2020. The Government is also implementing new temporary and taxable recovery benefits to support workers affected by the COVID-19 Pandemic.

### Employment Insurance Changes

#### *Insurable Hours Credit*

The Government of Canada recently announced changes to the EI program which softens eligibility requirements. Historically, EI eligibility was based on insurable hours that an individual worked in the year prior to their EI application, or since their last claim. In an effort to provide benefits to more individuals who have lost their job as a result of COVID-19, the Government of Canada has introduced a one-time insurable hours credit for individuals who have worked a minimum of 120 hours, as follows:

- 300 insurable hours for regular benefit claims (job loss); and
- 480 insurable hours for special benefit claims (maternity/parental, sickness, compassionate care, or family caregiver).

This credit is retroactive to March 15, 2020 for individuals who were unable to transition from CERB to EI due to insufficient insurable hours. The credit is also available for a period of one year in recognition of the ongoing, uncertain labour market conditions.

#### *Other Notable Changes*

In addition to the new hours credit, the Government of Canada has introduced the following notable changes to EI:

- The benefit rate will temporarily be increased to a minimum of \$400 per week.
- Claimants will receive at least 26 weeks of EI benefits.
- Effective August 9, 2020, a minimum unemployment rate of 13.1% is being used across Canada to lower the hours required to qualify for regular benefits. However, if an individual lives in a region that has a higher unemployment rate, their benefits will be calculated using the higher rate.



## **Changes to Canada Emergency Response Benefit (“CERB”) and New Recovery Benefits**

CERB will be extended by four weeks to ease the transition to the new EI program and provide continued support to Canadians, thereby creating a new maximum CERB entitlement of up to 28

weeks. Furthermore, the Government of Canada has developed three new benefits to support the transition away from CERB.

### *Canada Recovery Benefit (“CRB”)*

- Taxable benefit effective from September 27, 2020 for a period of one year
- CRB provides \$400 per week, for up to 26 weeks, to workers who do not qualify for EI (including self-employed individuals, independent contractors, and freelance workers).
- Eligibility requirements:
  - at least 15 years old;
  - valid SIN;
  - stopped working because of COVID-19, but are available and looking for work, or working with a reduced income as a result of COVID-19;
  - ineligible for EI;
  - earned at least \$5000 in 2019 or 2020; and
  - did not voluntarily quit their job.
- Workers must apply every two weeks.
- If a claimant’s annual net income (excluding CERB payments) is in excess of \$38,000, the claimant may be required to repay some or all of the CRB benefits received.

### *Canada Recovery Sickness Benefit (“CRSB”)*

- Taxable benefit effective from September 27, 2020 for a period of one year.
- CRSB provides \$500 per week, for up to two weeks, to workers who are unable to work due to sickness or self-isolation.
- Eligibility requirements:
  - Canadian resident;
  - at least 15 years old;
  - valid SIN;
  - employed or self-employed at time of application; and
  - earned at least \$5000 in 2019 or 2020.
- A medical certificate is not required to qualify for CRSB. However, a claimant cannot claim CRSB and simultaneously receive paid sick leave for the same period.
- The claimant must miss a minimum of 60% of their scheduled working hours in the week CRSB is claimed.



*Canada Recovery Caregiving Benefit ("CRCB")*

- Taxable benefit effective from September 27, 2020 for a period of one year.
- CRCB provides \$500 per week, for up to 26 weeks per household, to parents and others with dependents who are unable to work because of caregiving responsibilities.
- Requirements:
  - resides in Canada;
  - at least 15 years of age;
  - valid SIN;
  - employed or self-employed on the day immediately preceding the period for which the individual applies; and
  - earned at least \$5000 in 2019 or in 2020.
- CRCB is available to individuals who are unable to work at least 60% of their scheduled working hours as a result of:
  - caring for a child under 12 years of age:
    - whose school or daycare is closed or operates under an alternative schedule for reasons related to COVID-19;
    - cannot attend school or daycare under the advice of a medical professional due to being at high risk if they contract COVID-19; or
    - the caregiver who usually provides care is unavailable for reasons related to COVID-19.
  - caring for a family member with a disability or a dependent:
    - because their day program or care facility is closed or operates under an alternative schedule for reasons related to COVID-19;
    - cannot attend their day program or care facility under the advice of a medical professional due to being at high risk if they contract COVID-19; or
    - the caregiver who usually provides care is unavailable for reasons related to COVID-19.
- An individual is ineligible for CRCB if they are receiving paid leave from their employer in the same week.
- An individual will also be ineligible if they are receiving CERB, EI Emergency Response Benefit, CRB, CRSB, short term disability benefits, workers' compensation benefits, EI regular or sickness benefits, or Quebec Parental Insurance Plan benefits in the same week.