

## Changes to CERB, EI and New Canada Recovery Benefits

### Government announces a new, simplified EI program and access to additional Recovery Benefits

On August 20<sup>th</sup>, the Federal Government announced that the Canadian Emergency Response Benefit (CERB) will be extended by an additional 4 weeks and then transitioned to a modified employment insurance (EI) program. These changes will come into effect on September 27, 2020 and will be in place for one (1) year, along with additional programs being made available to employees who do not qualify for EI. The intent of the change is to ensure financial aid to employees who have lost their jobs through no fault of their own and are actively looking for work.

### What happens when CERB ends on September 27?

Canadians who have been receiving CERB through Service Canada and are already eligible for EI **will automatically transition** to EI benefits. Those who are eligible for EI but have been receiving CERB through the Canada Revenue Agency **need to apply through Service Canada**. For those who are not eligible for EI, three new Canada Recovery Benefits will be introduced.

### What EI benefits are available?

#### There are 2 kinds of benefits available:

**EI REGULAR BENEFITS** – this will be provided to employees who lose their jobs involuntarily and are actively looking for work.

**EI SPECIAL BENEFITS** – this will be provided to employees or self-employed individuals who are absent from work due to specific life circumstances, including sickness, maternity, parental benefits, as well as compassionate care or family caregivers.

### How do employees qualify and what is the benefit amount?

Individuals qualify provided they have at least 120 hours of work (or approximately 3.5 weeks of full-time hours) in the past 52 weeks or since their last claim. Individuals will receive a minimum payment of \$400 per week and a maximum of \$573 per week for between 26 and 45 weeks depending on past earnings and the time worked prior.

### Can employees still work and receive the benefit?

EI claimants can still earn income while receiving the benefit, however will have their benefits adjusted by reducing their benefit by \$0.50 for every dollar earned.

### What if an employee doesn't have enough hours to be eligible for EI?

A new, **one-time hours credit** is being offered retroactively to March 15. This credit will provide employees with 300 hours for Regular Benefits and 480 hours for Special Benefits. Both of these credits are available for one year.

### What are the New Recovery Benefits?

#### There are 3 new recovery benefits being introduced:

The **CANADA RECOVERY BENEFIT** will provide \$400 per week for up to 26 weeks for workers who are self-employed, gig or contract workers or otherwise not eligible for EI and still cannot return to work. Individuals must be looking for work and had stopped working or had their income reduced due to Covid-19. Workers can work but will need to repay \$0.50 on every dollar earned above an annual net income of \$38,000.

The **CANADA RECOVERY SICKNESS BENEFIT** will provide \$500 per week for up to two weeks (10 days) for workers who are ill or must self-isolate due to COVID-19-related reasons. This benefit is for those workers who don't already have paid sick leave through their employer and have to stay home to self-isolate. It cannot be claimed if the employee has paid sick leave through their workplace.

The **CANADA RECOVERY CAREGIVING BENEFIT** will provide \$500 per week for up to 26 weeks per household for those who are unable to work because they need to stay home to care for a loved one such as a child under 12, a family member with a disability, or another dependent because schools, daycares or other care facilities are closed due to COVID-19, or because a medical practitioner deemed them to be at high risk of severe illness if they were to contract Covid-19. Only one adult per household may claim at a time. It can only be used when facilities are closed and not because people "prefer" to keep their loved ones at home. Click [here](#) for a list of eligibility requirements.

Applications for the new recovery benefits are scheduled to open in October, with payments expected to flow in three to five days.

These benefits are taxable, meaning the tax will be deducted from the payments.

These programs will also come into effect on September 27.



#### Sector-specific Health & Safety Guidelines, Posters and Tip Sheets

<https://www.ontario.ca/page/resources-prevent-covid-19-workplace>

#### Canada Emergency Wage Subsidy (CEWS)

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

#### COVID-19 Self-Assessment

<https://covid-19.ontario.ca/self-assessment/>

#### When and How to Properly Wear a Mask

<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public/when-and-how-to-use-masks>

#### How to Properly Wash Your Hands

[https://www.who.int/gpsc/clean\\_hands\\_protection/en/](https://www.who.int/gpsc/clean_hands_protection/en/)

For more information on the changes and these programs, please contact our office at 705.719.7962