Human Resources Legislative Update

2012 EI Premium Rate Parameters Set, Work-Share Program Enhancement Extended

Date: November 8, 2011

On November 8, 2011, the federal government announced a reduction in the maximum potential increase in Employment Insurance ("EI") premium rates for 2012 from 10 cents, to 5 cents. Under these new parameters, the 2012 premium rate will not exceed $1.83 per $100 of insurable earnings.

In addition, the government announced a temporary extension of an enhancement to the Work-Sharing Program first outlined in Budget 2011. Prior to Budget 2011, the maximum duration of approved work-sharing agreements between employers and employees was between a minimum of 6 consecutive weeks and a maximum of 26 consecutive weeks, with an extension of up to 12 weeks (for a total duration of 38 weeks). The Budget 2011 temporary extension of up to 16 weeks for active or recently terminated agreements has been extended until October 2012. Accordingly, currently active work-sharing agreements could have a duration of up to 54 weeks.