FTR Now

Employment Insurance Sickness Benefits Increase to 26 Weeks

Date: December 6, 2022

The amendments contained in Bill C-30, *Budget Implementation Act, 2021, No. 1*, which permanently extend the maximum number of weeks available under employment insurance (EI) sickness benefits, have been proclaimed into force effective December 18, 2022.

In this *FTR Now* we consider this development and its implications for employers.

Extension from 15 to 26 Weeks

Under these changes, the maximum number of EI sickness benefits that can be paid to eligible insured and self-employed workers who are unable to work because of illness, injury, or quarantine and who establish a new claim on or after December 18, 2022 will be increased from 15 to 26 weeks.

Premium Reduction Program Not Affected

The federal government has indicated that the extension of EI sickness benefits will not have an immediate impact on the requirements that wage loss replacement plans must meet to qualify for the Premium Reduction Program (PRP) and that these requirements will remain unchanged for the time being. Under the PRP, employers who provide qualifying short-term disability, sick leave or similar plans to their employees pay a reduced EI premium rate.

Impact on Employer Plans

The higher number of weeks of EI sickness benefits might affect employer benefit plans.

Employers will want to consider what impact the longer EI sickness benefit period might have on the design of their short-term disability or paid sick leave plans. Collective agreements may also need to be reviewed. Long-term disability plans whose elimination periods are tied to EI sickness benefits could also be impacted.

Should you have any questions or require further information, please contact any member of Hicks Morley's Pension, Benefits and Executive Compensation Group.

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