**FTR Now**

# Federal Government Releases New Details on Employment Insurance Temporary Measures in Response to Tariffs

**Date:** April 2, 2025

On March 22, 2025, the federal government announced that it will be implementing a pilot project, temporarily amending the Employment Insurance (EI) Regulations.

These temporary measures are intended to:

- boost the EI regional unemployment rates and establish a minimum unemployment rate
- suspend the earnings allocation and repayment rules regarding payments related to separation from employment
- waive the one-week waiting period for all EI claims

These temporary measures are in addition to the special measures for the EI Work-Sharing Program, which are in effect from

March 7, 2025, to March 6, 2026. For more information regarding the Work-Sharing special measures, see our *FTR Now* of March 11, 2025.

## Considerations for Employers

The temporary suspension of the one-week waiting period should be considered by employers when administering an EI top-up plan, such as a maternity/parental leave top-up or a Supplementary Unemployment Benefit (SUB) plan. Employers will also need to consider the suspension of the earnings allocation and repayment rules regarding payments upon separation from employment, and should exercise caution if the separation occurred shortly before the effective date of the suspension. These changes, when enacted, will impact the administration of severance packages and termination settlements.

An Order-in-Council was made on March 23, 2025, approving the Regulations Amending the Employment Insurance Regulations (Pilot Project No. 24), though the text will not be released until April 9, 2025.

In the meantime, on April 1, 2025, the Employment and Social Development Canada (ESDC) published a new resource page on the federal EI website explaining the temporary measures in more detail.

## Adjustments to Unemployment Rates

The unemployment rate will be adjusted in all regions with an unemployment rate below 13.1%. This adjustment will reduce the number of hours of insurable employment needed to qualify for EI benefits (other than EI fishing benefits, which will see a commensurate reduction in the amount earnings needed to qualify). These adjustments apply in respect of all EI claims commencing between April 6, 2025, and July 12, 2025.

- For any region with unemployment at or below 6.1%, the unemployment rate will be adjusted to 7.1%
- For regions with unemployment between 6.2% and 12%, the unemployment rate will be increased by 1%
- For regions with unemployment between 12.1% and 13%, the unemployment rate will be adjusted to 13.1%

The normal rules regarding earnings paid upon a temporary or permanent separation from employment are being suspended for six (6) months. This suspension applies to claims between March 30, 2025, and October 11, 2025, as well as earnings that would be allocated during the six-month period. This change will be similar to the relief provided during the pandemic, when lump sum severance payments were not allocated as earnings for EI purposes, such that repayment obligations were not triggered by severance packages and termination settlements.

Finally, the one week waiting period will also be suspended for six months, for all new EI claims between March 30, 2025, and October 11, 2025.

We are monitoring for the release of the regulations and will provide further communication once those become available. Should you have questions with respect to these new temporary EI measures or require further information, please contact your regular Hicks Morley lawyer or a member of the firm's Pensions, Benefits and Compensation practice group.