FTR Now

Federal Government Publishes Temporary Employment Insurance Measures Addressing Economic Impacts From Tariffs

Date: April 10, 2025

On April 9, 2025, the federal government published the text of the *Regulations Amending the Employment Insurance Regulations (Pilot Project No. 24)* in the Canada Gazette.

As reported in our previous *FTR Now*, temporary Employment Insurance (EI) relief measures were initially announced on March 22, 2025. These temporary relief measures confirm the mechanics through which regional unemployment rates will be boosted, earnings allocation and repayment rules for separation-related payments are suspended, and the one-week waiting period for all EI claims will be waived.

Key Temporary Measures

Suspension of Rules on Monies Paid on Separation (March 30 – October 11, 2025)

The temporary relief measures suspend the application of rules regarding monies paid upon temporary or permanent separation from employment. The federal government introduced similar, though not identical, relief in response to the COVID-19 pandemic. The temporary relief measures mean that lump sum severance payments will not trigger EI repayment obligations where:

- the claimant's benefit period begins between March 30, 2025 and October 11, 2025; or
- the separation payment would otherwise be allocated to a period where the first week falls between March 30, 2025 and October 11, 2025 (dates are inclusive).

For separations from employment that occurred before March 30, 2025, employers should be aware that EI repayment obligations can still apply. If the separation from employment occurs during the March 30, 2025 – October 11, 2025 relief period, the temporary relief measures will suspend the EI repayment obligation for separation payments in respect of the separation from employment. However, ongoing payments of employment income, such as salary continuance would still be allocated for EI purposes.

Discretionary Waiver of the One-Week Waiting Period (March 30 – October 11, 2025)

The temporary relief measures confirm that Employment and Social Development Canada (ESDC) "may" waive the standard one-week waiting period for all EI benefit periods commencing between March 30, 2025 and October 11, 2025. This ability for ESDC to waive the one-week waiting period applies to all types of EI claims, including regular, special (e.g., maternity, parental, sickness) and fishing benefits.

Employers administering EI top-up plans (such as maternity/parental or compassionate care leave supplements or Supplementary Unemployment Benefit plans for periods of lay-off or illness) should be aware that the waiver of the one-week waiting period is discretionary on the part of ESDC. ESDC has issued guidance noting that EI claimants may serve the waiting period if it's to their advantage because of a top-up from a Supplemental Unemployment Benefit plan.

Adjusted Regional Unemployment Rates (April 6 – July 12, 2025)

For the period between April 6, 2025 and July 12, 2025, the temporary relief measures implement an artificial boost to regional unemployment rates and establish minimum thresholds:

- for regions with an actual unemployment rate of 6.1% or less, the rate will be deemed to be 7.1%
- for regions with an actual unemployment rate between 6.1% and 12.1%, the rate will be increased by one percentage point
- for regions with an actual unemployment rate between 12.1% and 13.1%, the rate will be deemed to be 13.1%

This measure will reduce the number of insurable hours that employees need to qualify for regular EI benefits. Employees in affected regions may receive more weeks of entitlement (up to four additional weeks.)

Conclusion

These temporary relief measures provide relief from an administrative burden for employers processing terminations and settlements during this period of economic uncertainty.

Given the limited initial duration of these provisions, particular attention should be paid to the timing of workforce adjustments that may be contemplated in the coming months.

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.