

## COVID-19 UPDATE: AUGUST 24, 2020

By James D. Kondopulos and Meaghan McWhinnie

On August 20, 2020, Finance Minister, Chrystia Freeland, and Minister of Employment, Workforce Development and Disability Inclusion, Carla Qualtrough, announced: (a) the extension of the Canada Emergency Response Benefit (the “CERB”); (b) upcoming changes to the Employment Insurance (“EI”) program; and (c) plans for three new benefits intended to take effect after the CERB program winds down. The full press release can be viewed [here](#).

### CERB Extension

The CERB program will be extended by an additional 4 weeks, bringing the total duration of the program to 28 weeks (ending September 26, 2020). Once the CERB ends, Canadians who are eligible for EI will be able to transition to EI or apply for one of the Government’s three new income-support programs: the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, and the Canada Recovery Caregiving Benefit (the “Recovery Benefits”).

### Changes to EI

Ministers Freeland and Qualtrough announced temporary changes to the EI program which are intended to last one year. Broadly speaking, the changes: (a) ease the eligibility rules; (b) set minimum benefit levels; and (c) increase the maximum duration of regular EI benefits. More particularly, the changes include:

- *Hours Credits to Enhance Access to EI Regular Benefit and EI Special Benefits:* A temporary, one-time credit of insurable hours for Canadians – a credit of 300 insurable hours for claims for regular benefits and 480 insurable hours for claims for special benefits (sickness, maternity/parental, compassionate care or family caregiver). This is intended to enable individuals who have completed a minimum of 120 hours of insurable work within the eligibility period to qualify for EI.
- *Minimum EI Unemployment Rate Across Canada:* A minimum unemployment rate of 13.1 percent for all EI economic regions. This measure is effective for one year starting on August 9, 2020.
- *Minimum Entitlement Duration:* A minimum entitlement of 26 weeks of regular EI benefits.
- *Minimum Benefit Rate:* A minimum benefit rate of at least \$400 per week (or \$240 per week for extended parental benefits) for new EI claimants as of September 27, 2020.

The federal government will also freeze the EI insurance premium rates for two years so Canadian workers and businesses will not face immediate increases to costs and payroll deductions due to the additional expenses resulting from the pandemic.



### New Recovery Benefits

In addition to the temporary changes to the EI program, the federal government announced the Recovery Benefits to take effect after the CERB program ends on September 26, 2020. These benefits are:

- the Canada Recovery Benefit;
- the Canada Recovery Sickness Benefit; and
- the Canada Recovery Caregiving Benefit.

Importantly, the Recovery Benefits require parliamentary approval and Parliament is currently prorogued until September 23, 2020. The following summarizes the federal government's stated intentions with respect to the Recovery Benefits.

#### *Canada Recovery Benefit*

The Canada Recovery Benefit (the "CRB") would be effective from September 27, 2020 for one year and provide a benefit amount of \$400 per week for up to 26 weeks to workers who are not eligible for EI, e.g. the self-employed.

To qualify for the CRB, Canadians must:

- be at least 15 years old and have a valid Social Insurance Number (SIN);
- have stopped working due to the COVID-19 pandemic and be available and looking for work, or be working and have had a reduction in their employment/self-employment income for reasons related to COVID-19 (income reduced relative to pre-COVID-19 income);
- not be eligible for EI;
- have had employment and/or self-employment income of at least \$5,000 in 2019 or in 2020; and
- have not quit their job voluntarily.

To encourage claimants to return to work, individuals would be able to earn income from employment and/or self-employment while receiving the benefit as long as they continue to meet the other requirements. However, claimants would need to repay some or all of the benefit through their income tax return if their annual net income, excluding the CRB payment, is over \$38,000. In other words, claimants would need to repay \$0.50 of the benefit for each dollar of their annual net income above \$38,000 in the calendar year to a maximum of the amount of benefit they received.



### *Canada Recovery Sickness Benefit*

The Canada Recovery Sickness Benefit (the “CRSB”) would provide \$500 per week for up to two weeks effective September 27, 2020. The CRSB would be available for one year to workers who are unable to work because they are sick or have to self-isolate due to COVID-19. Workers would need to have missed a minimum of 60 percent of their scheduled work in the week for which they claim the benefit.

The CRSB would be available to:

- residents in Canada who are at least 15 years of age and have a valid SIN;
- workers employed or self-employed at the time of the application; and
- workers who earned at least \$5,000 in 2019 or in 2020.

Workers would not be required to have a medical certificate to qualify for the CRSB. They would not be able to claim the CRSB and receive other paid sick leave for the same benefit period.

### *Canada Recovery Caregiving Benefit*

The Canada Recovery Caregiver Benefit (the “CRCB”) would be effective from September 27, 2020 for one year. The CRCB would provide \$500 per week per household for up to 26 weeks to Canadians who are unable to work due to caregiving responsibilities resulting from COVID-19.

In order to be eligible for the CRCB, individuals would need to:

- reside in Canada;
- be at least 15 years of age on the first day of the period for which they apply for the benefit;
- have a valid SIN;
- be employed or self-employed on the day immediately preceding the period for which the application is made;
- have earned at least \$5,000 in 2019 or in 2020;
- have been unable to work for at least 60 percent of their normally scheduled work within a given week because of one of the following conditions:
  - o they have to take care of a child who is under 12 years of age on the first day of the period for which the benefit is claimed:
    - because the school or daycare of the child is closed or operates under an alternative schedule for reasons related to the COVID-19 pandemic;

- who cannot attend the school or daycare under the advice of a medical professional due to being at high risk if the child contracts COVID-19; or
- because the caregiver who usually provides care is not available for reasons related to the COVID-19 pandemic; or
- they have to provide care to a family member with a disability or a dependent:
  - because the day program or care facility of the family member or dependent is closed or operates under an alternative schedule for reasons related to COVID-19;
  - who cannot attend the day program or care facility under the advice of a medical professional due to being at high risk if he or she contracts COVID-19; or
  - because the caregiver who usually provides care is not available for reasons related to the COVID-19 pandemic;
- not be in receipt of paid leave from an employer in respect of the same week; and
- not be in receipt of the CERB, the CRB, the CRCB, the CRSB, short-term disability benefits, workers' compensation benefits, or any EI benefits or Quebec Parental Insurance Plan (QPIP) benefits in respect of the same week.

Workers would apply after the period in which they are seeking income support and attest that they meet the requirements. Two members residing in the same household could not be in receipt of the benefit for the same period.

#### Applying for EI and new Recovery Benefits after CERB ends

Canadians already receiving benefits through Service Canada will be transitioned to the EI program once they have received the maximum CERB benefits to which they are entitled provided that they are EI eligible and continue to need income support.

Canadians who are currently receiving the CERB from the Canada Revenue Agency ("CRA") and are entitled to EI will need to apply for EI through Service Canada after September 26, 2020.

Assuming the Canada Recovery Benefits are passed into law, the CRA will administer the benefits. Canadians will be able to apply for the benefits through the CRA but details on how Canadians can apply have not yet been released. We will provide updates as further details become available

More information can be found in the [federal government's backgrounder](#).



### **Navigating COVID-19 in the Workplace**

For further information relating to the COVID-19 pandemic and how it may impact your workplace, please look to our previous bulletins, which can be found on [Roper Greyell's COVID-19 resource page](#).

This update is current to **August 24, 2020**, but the pandemic and the responses of the federal and provincial governments continue to evolve, and this may impact the accuracy of the information in this bulletin. If in doubt about whether anything in this document is still current, please do not hesitate to [contact us](#).

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