

Employment Insurance (EI) Regular Benefits

Revised March 20, 2020

As of now, there have been no changes to the EI Regular Benefits. The response to COVID-19 has been evolving at a rapid pace and you are advised check the COVID-19 Service Canada website for updates.

<https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus.html>

If a large number of employees are being laid off, the local union may try to arrange a group information session on EI at the workplace or union hall.

How Do I Qualify for EI?

You may be entitled to Employment Insurance (EI) regular benefits if you:

- Were employed in insurable employment;
- Lost your job through no fault of your own;
- Have been without work and without pay for at least seven consecutive days in the last 52 weeks;
- Have worked for the required number of insurable employment hours in the last 52 weeks or since the start of your last EI claim, whichever is shorter.

In most cases you must have worked a minimum of 420 to 700 insurable hours to qualify for regular EI benefits, depending on where you live in Canada and the regional unemployment rate at the time you establish your claim.

Requirements are **adjusted monthly** at: <http://srv129.services.gc.ca/eiregions/en/uirates.aspx>

Example: A worker living in the Toronto region and laid off between February 8 and March 7, may need at least **595** hours to qualify for regular EI benefits. A worker living in the Oshawa region might need at least 560 hours. The qualifying hours are adjusted monthly.

You need 600 hours for special benefits (pregnancy, parental, sickness or compassionate care). If you were on EI in the last year you may have weeks left and you might want to finish the old claim before starting a new one.

How Long Can I Receive EI?

The duration of your EI benefits depends on the regional unemployment rate for the month you establish your claim and the number of insurable hours you accumulated in the last 52 weeks or since your last claim, whichever is shorter. The current maximum is 45 benefit weeks in the highest unemployment regions, less elsewhere.

Example: A worker living in the Toronto region and laid off between February 8 and March 7 may be eligible for **18 to 42 weeks** depending on their insurable hours. A worker living in the Oshawa region is eligible could be eligible for 20 to 44 weeks depending on their insurable hours. The eligible weeks are adjusted monthly.

There is a one (1) week waiting period for which no benefits are paid (unless you're re-opening a claim, attending apprenticeship classes, starting EI Work Sharing or your partner has already served the waiting period for your parental benefits). If you are on parental, sick or compassionate care leave while on regular EI, different duration rules apply.

How do I Apply for EI?

You have 4 weeks from the work separation date to apply or you risk losing benefits.

"Separation" means 7 consecutive days without pay and without work. File at a Service Canada office or at <https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit/apply.html>.

How much do I receive?

The basic benefit rate is 55% of your average insured earnings. A new claim in 2020 pays a maximum of \$573 weekly. Your EI payment is a taxable income. If a SUB (Supplementary Unemployment Benefit) has been negotiated at your workplace, it 'tops up' the basic building block of EI benefits to a specified level, giving you benefits from two sources.

What If I Receive Separation Payments?

Vacation pay and pay in lieu of notice are "allocated" to a number of weeks at the start of your claim, as if you were on salary continuance. EI benefits are not paid for those weeks.

Severance pay is also allocated but the timing depends on the situation. In some cases severance can be held in trust while you hold recall rights to available work or have preferential transfer or hiring rights with your employer. This does not apply in all situations.

If you have an allocation period, EI extends your claim for a period equal to the allocation period. You'll receive the EI benefits at the end of your claim if you're still unemployed. No benefits can be paid after the 2 year anniversary of layoff.

If your severance pay is transferred to an RRSP there may be a tax savings but if you're on EI, it's still allocated as if it went directly into your wallet.

Even if you receive severance pay, always file for EI right after your layoff.

What if I Receive Other Earnings While on EI?

Working While on Claim reduces your benefits by 50% of your earnings starting with the first dollar earned. Specifically, for each dollar that you earn while in receipt of EI benefits, your weekly benefit payments will be reduced by 50 cents, up to the point where your earnings reach 90% of the earnings used to establish your benefit rate (roughly four and a half days of work). Above this cap, your benefits will be reduced dollar for dollar, until benefits are reduced to zero. You are not eligible to receive EI benefits if you work a full week, regardless of the amount you earn. However, this will not reduce the total number of weeks payable on your claim.

The Allowable Earnings rule also applies to employment pension benefit 'earnings' including CPP/QPP.

What are the Rules While on Regular EI Benefits?*

To avoid disqualifications, disentitlements and penalties you must:

- Be willing and able to work;
- Be looking for work;
- Report income from all employment (farming, self-employment, etc.);
- Report absences out of country;
- Report all work you do, even if you'll be paid later;
- Follow EI staff instructions, including a call to an interview;
- Don't start any classes until you get Employment Ontario and EI authorization.

****These rules do not apply during a period of severance pay allocation.***