

COVID-19 Impact: Extension of the Canada Emergency Response Benefit and New Income Support Programs

Maria Constantine

September 2, 2020

On August 20, 2020, the Government of Canada announced further actions to help support workers through the next phase of the COVID-19 pandemic. Those actions include an extension of the Canada Emergency Response Benefit (CERB), temporary changes to the Employment Insurance (EI) program, and three new income support programs.

Four-Week Extension of CERB

In an effort to bridge the gap as workers transition to a more flexible and generous EI program or to another income support program (as described in more detail below), the federal government has extended the CERB eligibility period by four weeks, to a maximum of 28 weeks between March 15, 2020 and October 3, 2020. This means that eligible Canadians who expected to exhaust their CERB benefits at the end of August will now be able to access one additional month of support. As a reminder, the CERB provides benefits of \$500 per week (or \$2,000 in each four-week eligibility period) to workers who have lost their jobs or are otherwise unable to work for reasons relating to COVID-19.

Changes to the EI Program

To support workers who continue to be impacted by COVID-19, the Government of Canada will be temporarily easing the eligibility requirements for EI benefits.

One-Time Credit of Insurable Hours

To qualify for EI benefits, claimants must have completed a minimum number of insurable hours of work in the year prior to their application or since their last EI claim (known as the “qualifying period”). The minimum number of insurable hours varies based on the unemployment rate in the claimant’s region. To help Canadians qualify for EI benefits, the government will provide a one-time “credit” of insurable hours to claimants who have at least 120 hours of insurable work, as follows:

- o 300 insurable hours for those applying for regular EI benefits (i.e., job loss); or
- o 480 insurable hours for those applying for EI special benefits (i.e., sickness, maternity/parental, compassionate care or family caregiver).

The hours credit will be retroactive to March 15, 2020 for claimants who wished to transition early from the CERB to EI maternity, parental, compassionate care, family caregiver or work-sharing benefits but could not establish their EI claim due to insufficient insurable hours.

Minimum EI Benefit Rate and Duration of Benefits

Effective September 27, 2020, new EI claimants will receive a minimum benefit rate of \$400 per week (or \$240 per week for extended parental benefits). Those who qualify for a higher weekly EI benefit rate based on their average weekly earnings will still receive the higher rate. The weekly benefit rate will be determined using the claimant’s 14 best weeks of earnings during the qualifying period. Claimants will be eligible to receive regular EI benefits for a minimum duration of 26 weeks.

EI Premium Rate Freeze

EI premium rates will be frozen at 2020 levels for two years. 2020 EI premium rates are \$1.58 per \$100 of insurable earnings for employees, and \$2.21 per \$100 of insurable earnings for employers.

New Income Support Programs

As the CERB winds down, the Government of Canada will implement three new recovery benefits to support Canadians who continue to face financial hardship as a result of the pandemic. Each of these benefits will be in effect for a one-year period starting

Cassels

on September 27, 2020. Applications will be made through the Canada Revenue Agency with benefits payable in arrears.

Canada Recovery Benefit (CRB)

The CRB will provide a taxable benefit of \$400 per week for up to 26 weeks to workers who (i) are at least 15 years old, (ii) have stopped working as a result of COVID-19 (other than through voluntary resignation) and are available and looking for work, or are working and have had a reduction in employment or self-employment income for reasons related to COVID-19, (iii) are not eligible for EI, and (iv) had employment and/or self-employment income of at least \$5,000 in 2019 or 2020.

Although a claimant can work and continue to receive CRB payments, they will be required to repay \$0.50 of each dollar of CRB paid for every dollar of their annual net income (excluding CRB) that exceeds \$38,000, to a maximum of 100% of the benefit they received.

Canada Recovery Sickness Benefit (CRSB)

The CRSB will provide a taxable benefit of \$500 per week for up to two weeks to workers who miss at least 60% of their scheduled work in the week because they are sick or must self-isolate due to COVID-19. The CRSB will be available to residents in Canada who are (i) at least 15 years old, (ii) employed or self-employed at the time of the application, and (iii) earned at least \$5,000 in 2019 or 2020. Workers will not be required to obtain a medical certificate to qualify for this benefit and cannot claim the CRSB and receive other paid sick leave for the same benefit period.

Canada Recovery Caregiving Benefit (CRCB)

The CRCB will provide a taxable benefit of \$500 per week for up to 26 weeks per household. Eligibility for this benefit is limited to Canadian residents who (i) are at least 15 years old, (ii) are employed or self-employed, (iii) earned at least \$5,000 in 2019 or 2020, and (iv) are unable to work for at least 60% of their normally scheduled work within a given week because they must care for:

- a child under age 12 because their school or daycare is closed or operating on an alternative schedule due to COVID-19;
- a family member with a disability or a dependent because their day program or care facility is closed or operating on an alternative schedule due to COVID-19; or
- a child, family member with a disability or a dependent who is not attending school, daycare or other care facilities under the advice of a medical professional due to being at high risk if they contract COVID-19.

A worker will not qualify for the CRCB if they are in receipt of paid leave from their employer or any other government-sponsored income support program in respect of the same week. Two family members residing in the same household cannot be in receipt of the CRCB for the same period.

The Cassels [Employment & Labour Group](#) is continuing to monitor legislative developments relating to COVID-19 that impact employers and employees and will provide updates as they become available.