

# Keeping you informed

## Benefit plan news for People Corporation plan sponsors

### Changes to Employment Insurance Sickness Benefits

As of December 18, 2022, the Government of Canada will permanently extend Employment Insurance (EI) sickness benefits from 15 weeks to 26 weeks.

To protect Canadians facing illness or injury typically associated with recovery rates longer than 15 weeks, the Government of Canada is extending EI sickness benefits to 26 weeks, starting December 18, 2022. This change is expected to help approximately 169,000 Canadians per year who need more than 15 weeks to return to work after an illness, injury, or quarantine. Eighty-seven per cent of claimants return to work within a year after an illness or injury; slower returns to work typically involve cancer, cardiovascular, nervous system and musculoskeletal diseases, mental health issues, and pregnancy-related conditions.<sup>1</sup>

Employees currently receiving EI sickness benefits, or who have a date of disability prior to December 18, will be limited to only 15 weeks of sickness benefits.

#### **What changes must you make to your plan before December 18, 2022?**

While the December 18 date provides a sense of urgency, there are no mandatory changes required to your group benefits plan coverage as a result of the update to the EI sickness benefits. Additionally, no changes to STD plan designs are required to remain compliant with eligibility for the EI Premium Reduction Program at this time. This may change in the future.

However, with changes to the EI sickness benefits program, we recommend that you review your disability plan design and policy language and update any HR policies related to disability management or medical absences, as required.

The experts at People Corporation are here to help, starting with the guidance below.

<sup>1</sup> [Evaluation of the Employment Insurance Sickness Benefits report](#)

#### **General guidance for managing the extension of EI sickness benefits**

##### **If your plan offers short-term disability coverage, salary continuance, or a supplemental unemployment benefit (SUB) plan with benefits coordinated with EI benefits:**

- You may want to align your short-term disability (STD) benefit period to be at least as long as the new EI benefit period of 26 weeks, plus one week for the EI waiting period. This may allow your eligibility in the new Premium Reduction Program to be maintained, however, there are no details yet on what the new program may be.

#### **Recommended next steps for plan sponsors**

As the Employment Insurance sickness benefits shift from 15 weeks to 26 weeks, speak to your People Corporation benefits consultant about reviewing your plan.

#### **If your plan offers long-term disability (LTD) benefits only:**

- If your organization offers LTD benefits, but doesn't have an STD plan, you may want to align your LTD elimination period with the 26 weeks of EI sickness benefits payments, plus one week for the EI waiting period.

#### **If your LTD program has a waiting period of less than 27 weeks:**

- In this case, remind plan members receiving EI sick benefits to submit their LTD claim to your insurer according to the timelines indicated in your benefits plan. They must also inform Service Canada of their approved LTD benefit so these benefits can be appropriately coordinated.