

Client Advisory

As of December 18, 2022, sickness benefits under the Employment Insurance Program will increase to 26 weeks

December 6, 2022

Summary

As of December 18, 2022, Employment Insurance sickness benefits can be taken for up to 26 weeks (up from 15). To align with this change, the number of weeks of unpaid medical leave for employees who work for federally regulated employers will increase to 27 weeks (up from 17).

Introduction

[Bill C-30](#), amending the Employment Insurance (EI) sickness benefits, was passed June 29, 2021 but without a specific effective date. The federal government recently [announced](#) the effective date will be December 18, 2022 (for further details see this [backgrounder](#)). So, as of December 18, 2022, anyone who qualifies for a new Employment Insurance (EI) sickness benefit claim will be entitled to up to 26 weeks of benefits. Currently, the maximum period is 15 weeks.

None of the other provisions relating to the EI sickness benefit will change. That is, the benefit will be for anyone who cannot work because of illness, injury, or quarantine. As well, the benefit calculation, eligibility requirements, and evidentiary requirements will remain the same. Only the maximum benefit period will change.

As well, to align with the EI change, the federal government will amend its employment standards legislation (also on December 18, 2022) to enable [federally regulated](#) employees to take up to 27 weeks of unpaid medical leave (up from 17). This change does not apply to provincially regulated employees who are subject to the medical leave provisions of their province's employment standards legislation.

EI Premium Reduction Program

No changes have yet been made to the EI Premium Reduction Program (PRP) to account for the new 26-week EI sickness benefit period. Therefore, the change to the EI benefit period will not have

any immediate impact on the requirements that wage loss replacement plans must meet to qualify for a premium reduction under the PRP or to the level of the reduction.

Earlier this year, the federal government concluded its consultation on modernizing the entire EI system including the EI Premium Reduction Program. We expect to learn more about future plans in the coming weeks.

Considerations for employers

There is no legislative requirement for employers to change their STD or LTD programs.

Implications for specific plans will depend on whether the plans are coordinated with EI sickness benefits (e.g., programs that top-up or wrap around EI benefits). Where plans do not currently coordinate with EI sickness benefits, employers may wish to review the high-level pros and cons of various STD designs to validate their plan's current design or determine whether a deeper review of overall disability design is desirable.

For more information

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