

# EI DISABILITY BENEFITS EXTENDED TO 26 WEEKS

The Government of Canada announced changes to the EI Disability benefit, extending the benefit period to 26 weeks from the previous 15 weeks.

Individuals who qualify and establish a new claim **on or after December 18, 2022** will have up to 26 weeks of disability / sick benefits. EI benefits are paid at 55% of the claimant's average weekly insurable earnings, up to a maximum of \$650 in 2023. The qualifying criteria have not changed.



**15 weeks** → **26 weeks**

Federally regulated employers must change the self-insured or insured short-term plan to 26 weeks from the previous 15 weeks.

- There are no administrative changes to the requirement for additional medical documentation from the treating physician indicating the inability to work due to sickness.
- The government has not indicated any improvements in administration or modified work expectations for the employee or the employer.
- Interestingly, in other countries where the government adjudicates short-term illness, mandatory return to work provisions with obligations for both employees and employers have been introduced to the legislation.
- In Canada, there has been no announcement surrounding the administration of the EI sickness / disability plan.
- In the past, an individual who was still disabled past 15 weeks could apply for Canada Pension Plan Disability which has a higher total disability threshold with a highly detailed adjudication standard.

## IMPACT ON EMPLOYERS: PROACTIVE CASE MANAGEMENT IS VITAL

One of the important take-aways of these changes is how important a strong and proactive case management program will be for employers to control costs, focus on return to work and support their employees through difficult times.

Case management during the short-term period becomes even more vital as the changes could inadvertently result in longer absences creating staffing shortages and higher disability/sick expenses.

Organizational Solutions Inc. successfully works with employers and their team members to assist in adjudication, confirmation of appropriate treatment and care, and design of return to work programs.



# Immediate effect on private employers' wage loss replacement plans?

The extension of the EI period from 15 to 26 weeks will not have immediate implications on private employers' wage loss replacement plans.

The federal government has not provided comment or direction to private employers or the impact this may have on the EI Premium Reduction Program (PRP) currently in place for employers that have a wage loss plan in place. The government will likely announce some directional changes within the coming year.



The most recent changes from 17 weeks could mean employers will need to extend wage loss to 26 weeks to continue to qualify for the EI Premium Reduction Program (PRP). It is also vital to consider the implications of current EI carve-out plans and Long

Historically, the government has provided a transitional period for employers. An example is the reduction of the waiting period to one week from two a few years ago.



## Will wage loss be extended to continue to qualify for the EI Premium Reduction Program (PRP)?

Term Disability plan design. Some proposed changes will result in increased premiums or administrative fees for the short term, and depending on plan design and experience, may see a reduction in the LTD premiums.

## More considerations to review

Long term disability plans will need to be reviewed for the qualification period depending on the particular scenarios being explored. If the LTD plan elimination period stays at 17 weeks, procedures will be needed to ensure an offset is in place should the employee collect or apply for EI, which is now 26 weeks.

Duplication of benefits can be difficult to recover from an individual on disability. If the short-term benefit remains at 17 weeks and the LTD qualifying period moves to 26 weeks, coordination and awareness will be essential to address the need to apply for EI for 10 week period to LTD.

Collective Bargaining Agreements must be considered and reviewed as the changes may overlap with

collective bargaining language. Unions must be engaged in finding solutions should employers be required to adjust to a 26-week EI sickness plan.

## About OSI

Organizational Solutions Inc. is a leading partner to companies who want to control the human impact and financial loss caused by workplace absence due to illness and injury.

Call us at 1.866.674.7656 or email [sales@orgsoln.com](mailto:sales@orgsoln.com) for more information.

