

Employment Insurance and federal recovery benefits: Q&A

October 7, 2020

On September 26, the Canada Emergency Response Benefit (CERB) ended. Workers who have lost their jobs, seen their incomes reduced, who are ill or in self-isolation, or who have caregiving needs can apply for Employment Insurance or one of the new recovery benefits.

Who should apply for EI?

To qualify for EI regular benefits, EI sickness benefits, or EI caregiver benefits, you must have 120 hours of insurable employment in the past 52 weeks or since your last EI claim.

To be eligible for EI regular benefits, you must be available and looking for work and willing to accept reasonable job offers. This includes accepting recalls from your employer if you have been temporarily laid off. You will need a Record of Employment from your employer to apply for EI, and your ROE must not say that you quit your job voluntarily.

EI sickness and caregiving benefits have additional eligibility criteria. You can learn more about these here: <https://www.canada.ca/en/services/benefits/ei.html>

Who should apply for one of the recovery benefits?

- **The Canada Recovery Benefit:** This benefit is available to you if you had employment or self-employment income of at least \$5,000 in either 2019 or 2020 and you do not qualify for EI regular benefits. You must have stopped working or had your hours reduced because of the COVID-19 pandemic, but you must be available and looking for work.
- **The Canada Recovery Sickness Benefit:** This benefit is available to you if you are a worker who is ill or must self-isolate. You must have had employment or self-employment income of at least \$5,000 in either 2019 or 2020, and you must have missed a minimum of 50 per cent of your scheduled work week. If you are receiving any other form of paid sick leave, you don't qualify.
- **The Canada Recovery Caregiving Benefit:** This benefit is available to you if you had employment or self-employment income of at least \$5,000 in either 2019 or 2020, and you missed at least 50 per cent of your scheduled work week because you were caring for a child under 12 or a family member whose school, child care facility, or regular program is closed or whose normal caregiver is unavailable. Family members can share eligibility for the Caregiving Benefit, but only one family member can receive it at a time.

What counts as employment income to determine eligibility for the recovery Benefits?

In calculating the \$5,000 of employment or self-employment income, all forms of employment-related income can be counted, including tips, honoraria, and royalties. Disability benefits; pension income; student loans, grants, or scholarships; the Canada Emergency Response Benefit and the Canada Emergency Student Benefit cannot be included.

How do I apply?

You can apply for Employment Insurance through Service Canada: <https://www.canada.ca/en/services/benefits/privacy-notice.html>. You should apply as soon as possible after you stop working. Delaying your application could mean losing benefits.

You can apply for the recovery benefits through the [Canada Revenue Agency My Account page](#). The Canada Recovery Benefit uses set two-week payment periods. The Canada Recovery Sickness Benefit and the Canada Recovery Caregiving Benefit use one-week payment periods (you can view period start and end dates [here](#)). You can only submit an application for each payment period after the period has ended. You have up to 60 days after the period has ended to apply for benefits for each period.

How much will I get?

If you qualify for Employment Insurance, you will receive a minimum of \$500 a week but could qualify for up to \$573 based on your previous income. This amount is taxable, and taxes will be deducted before the benefit is paid to you.

The three recovery benefits provide a set amount of \$500 per week. The benefit is taxable and ten per cent will be deducted from your benefit payment for each period (meaning you will receive \$450 a week). At tax time, you may qualify for a reimbursement of some of this money, or you may have to pay more in taxes, depending on your income.

You will also be required to repay some or all of your Canada Recovery Benefit if you earn more than \$38,000 a year. The benefit must be repaid at 50 cents on the dollar for each dollar of income you earn over \$38,000, to be paid at tax time.

How long can I get benefits for?

Employment Insurance sickness benefits provide up to 15 weeks of benefits. EI caregiving benefits provide up to 15 weeks of benefits for a sick adult or 35 weeks of benefits for a sick child. If you qualify for EI regular benefits, you will receive between 26 and 50 weeks of benefits, depending on your regional rate of employment and the number of insurable hours of employment you have accumulated prior to your claim.

The Canada Recovery Sickness Benefit provides two one-week periods of benefits. These weeks do not need to be taken one after another.

The Canada Recovery Caregiving Benefit provides 26 weeks of benefits. These weeks do not need to be taken one after another.

The Canada Recovery Benefit provides 13 two-week periods of benefits. You must take two weeks at a time, but you do not need to take these periods one after another.

What if I go back to work?

If you are receiving EI benefits, the Working While on Claim program allows you to earn up to 90 per cent of your previous salary while still collecting benefits. However, your benefits will be reduced by 50 cents for every dollar of income you earn.

You are allowed to earn income while receiving the Canada Recovery Benefit, but if your annual income for the calendar year exceeds \$38,000 then you will be asked to repay the benefit on your annual income tax return at the rate of 50 per cent of every dollar of additional income.

For the Canada Recovery Sickness Benefit and the Canada Recovery Caregiving Benefit, if you work more than 50 per cent of your normally scheduled work week, you are not eligible for the benefit.

Who is not covered by EI or by one of the recovery benefits?

If you have less than \$5,000 in employment income or are not currently available for work, you are not eligible for EI regular benefits or for the Canada Recovery Benefit. Furthermore, if you stopped working for a reason not related to the COVID-19 pandemic, you are not eligible for the Canada Recovery Benefit. This means that students and workers who were already unemployed before the pandemic are not eligible.

Parents of children whose school or child care facility is open and who do not have a note from a medical professional certifying that their child is ill or at high risk of illness are not eligible for EI caregiver benefits or the Canada Recovery Caregiving Benefit.

Where can I learn more?

There's more information about all of these benefits on the Government of Canada website:
<https://www.canada.ca/en/services/benefits/covid19-emergency-benefits.html>.