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Ontario Employment & Labour Spring seminar

April 29, 2025

Agenda

Topic	Speakers	Location
How does evolving U.S. political landscape impact your business and workforce with respect to tariffs, trade and cross-border mobility	Andy Pushalik, Partner, National Practice Group Leader Paul M. Lalonde, Partner, Head of the Regulatory Practice Group Henry J. Chang, Partner, Immigration Group.	Classrooms 1-2
Workplace restructurings: The rules on layoffs and group terminations	Matthew Curtis, Partner Claire Browne, Senior Associate	Classrooms 1-2
Repair and maintenance: How to fix your termination clauses	Andy Pushalik, Partner, National Practice Group Leader Allison W. Buchanan, Counsel	Classrooms 3-4
Workplace flexibility: Changing terms and conditions of employment	Kyle Isherwood, Partner Larysa Workewych, Senior Associate	Classrooms 1-2
How to leverage employment insurance programs during difficult times	Pamela Chan Ebejer, Partner Fatimah Khan, Associate	Classrooms 3-4
Navigating through uncertainty: HR leaders panel	Andy Pushalik, Partner, National Practice Group Leader Karen Smith, Vice-President and Chief Human Resources Officer, Bruce Power Ginger Butler, Senior Vice President, HR Canada, LifeLabs Stephanie Hedley, Senior Director, Human Resources, CN	Classrooms 1-2

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Navigating today's shifting tariff and trade environment

Paul Lalonde & Henry Chang

Moderated by: Andy Pushalik

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Workplace restructurings: Temporary layoffs and mass terminations

Matthew Curtis & Claire Browne

Agenda

- Temporary lay-offs:
  - When can an employer place an employee on a temporary lay-off?
  - How long can an employee be placed on a temporary lay-off?
  - Should employers provide employees with notice regarding a temporary lay-off?
  - What happens when an employer attempts to recall an employee back to work?
- Mass terminations under the *Employment Standards Act, 2000*:
  - When is a mass termination triggered under the *ESA*?
  - What obligations are owed when a mass termination is triggered under the *ESA*?

Temporary lay-offs

Can an employer place an employee on a temporary lay-off?

- At common law, employers are not permitted to place an employee on a temporary lay-off.
- In non-unionized workplaces, the right to place an employee on a temporary lay-off is often set out in the employee's employment agreement.
- In unionized workplaces, the right to place an employee on a temporary lay-off is addressed in the collective bargaining agreement.
- The *Employment Standards Act, 2000* establishes how long a temporary lay-off can be for and when it is deemed to be a termination of employment.

Temporary lay-offs

How long can an employee be placed on a temporary lay-off?

- Generally, under the *Employment Standards Act, 2000*, a temporary lay-off must be no longer than 13 weeks in any period of 20 consecutive weeks.
- A temporary lay-off may be no longer than 35 weeks in any period of 52 consecutive weeks in limited circumstances outlined in the *Employment Standards Act, 2000.*
- A temporary lay-off will be deemed to be a termination of employment if the employee is on a temporary lay-off for longer than these periods.

Temporary lay-offs

How long can an employee be placed on a temporary lay-off?

- Employers may place an employee on a temporary lay-off of no more than 35 weeks in any period of 52 consecutive weeks ***if***:
  - Employee continues to receive “substantial payments” from employer;
  - Employer continues to make payments under retirement/ pension plan or group/ employee insurance plan;
  - Employee receives supplementary unemployment benefits;
  - Employee is employed elsewhere during the lay-off and otherwise would be entitled to receive supplementary unemployment benefits;
  - Employer recalls employee within time approved by Director of Employment Standards;
  - Employer recalls employee within time set out in agreement between employer and employee; or
  - If unionized, employer recalls employee within time set out in agreement between employer and trade union.

Temporary lay-offs

Best practices when placing employees on temporary lay-off

- Employers should provide employees with notice of a temporary lay-off in writing.
- This notice should:
  - Advise the employee that they are being placed on a temporary lay-off.
  - Set out the start date of the temporary lay-off.
  - Inform the employee regarding whether benefits will be continued during the temporary lay-off.
  - Advise the employee that vacation ***time*** will continue to accrue over the temporary lay-off .
  - Confirm that a record of employment will be issued.

Temporary lay-offs

Best practices when recalling employee to work

Temporary lay-offs

Tips when placing employee on temporary lay-off

- Ensure employment agreement contains a temporary lay-off provision.
- Maintain up to date contact information for employee.
- Confirm preferred method of communication with employee during temporary lay-off.
- Provide employee with clear and timely communication regarding the temporary lay-off, including:
  - Start date
  - Whether benefits will be continued during temporary lay-off
  - Method of communication that will be used to contact employee during temporary lay-off
  - Recall date

What triggers a mass termination under the *ESA?*

- Three criteria:
  1. 50 or more employees are terminated;
  2. At an employer's "establishment" in Ontario;
  3. Within the same four (4) week period.
- Four (4) week period is "rolling"
  - i.e. Triggered when 50 or more employees are terminated in ***any*** four (4) week period.

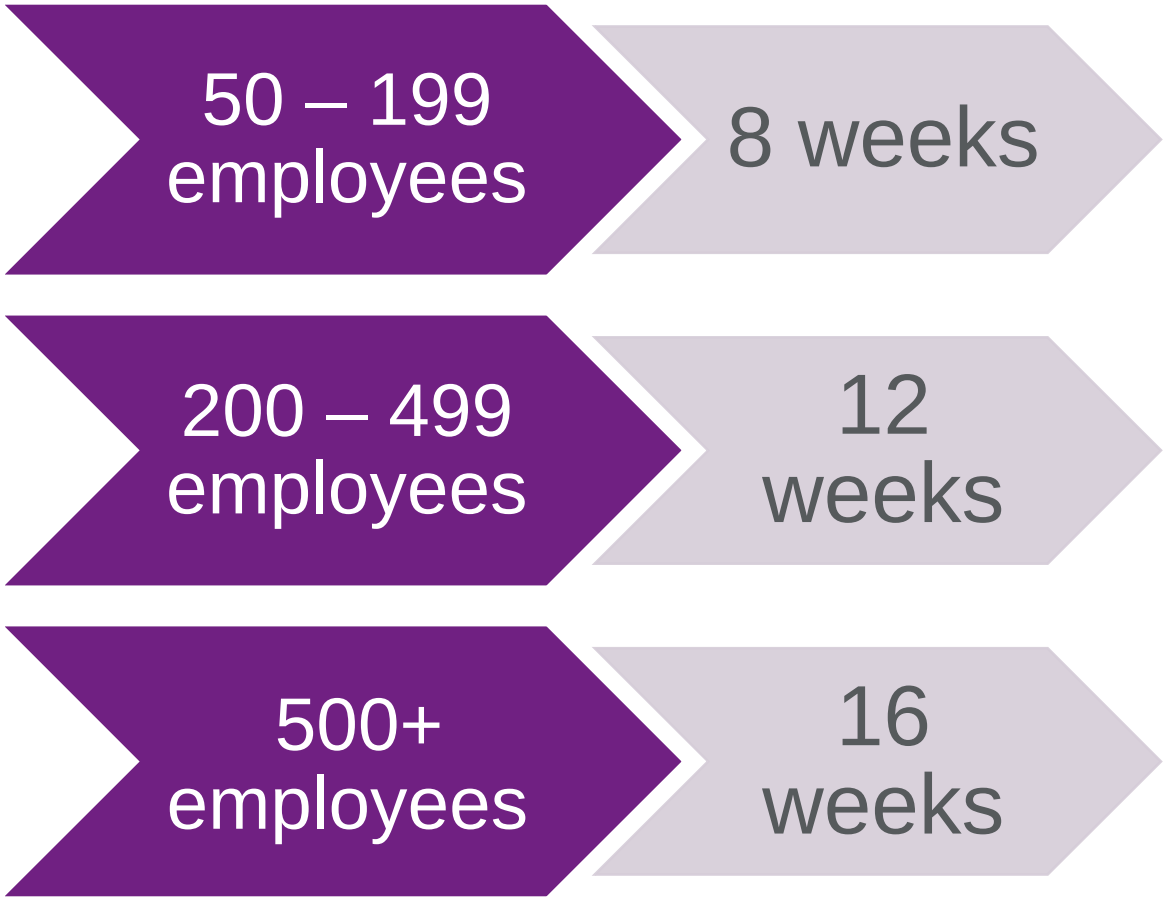
What is an “establishment”?

- A location at which an employer carries on business
- If an employer carries on business at more than one location:
  - Separate locations within the same municipality constitute one “establishment”
  - Locations where one or more employees have seniority “bumping” rights that extend to another location under a written employment contract constitute one “establishment”
- **Note:** “Location at which an employer carries on business” includes a private residence of the employer’s employee if:
  - Employee performs work in the private residence; and
  - Employee does not perform work at any other location where the employer carries on business.

Impact of ESA mass termination provisions

- If the mass termination provisions are triggered under the *Employment Standards Act, 2000*:
  - Affected employees will be entitled to additional notice of termination;
  - Affected employees ***may*** be entitled to statutory severance pay; and
  - Employer will be required to comply with additional obligations.

ESA mass termination notice entitlements



ESA statutory severance pay

- Employees with five (5) or more years of service are entitled to statutory severance pay if:
  - Employer has a global payroll of $2.5 million or more; or
  - Severance occurred: (i) as part of a “permanent discontinuance” of all or part of an employer’s business at an establishment and (ii) the employee is one of 50 or more employees who have had their employment severed within a ***six (6) month period***

ESA mass termination notification requirements

- Employers must provide the Director of Employment Standards with the following information (in a form approved by the Director):
  - Employer’s name and mailing address.
  - Location(s) where the employees whose employment is being terminated work.
  - Number of employees working at each location who are paid: (i) hourly, (ii) by salary or (iii) some other basis.
  - Number of employees whose employment is being terminated at each location.
  - Number of employees who only perform work at their private residence (and number who are being terminated).
  - Date(s) or anticipated dates(s) the employees’ employment will be terminated.
  - Name of any trade union local representing any of the employees whose employment is being terminated.
  - Economic circumstances surrounding the terminations.
  - Name, title and telephone number of the individual who completed the form on behalf of the employer.
- In addition, employers must provide the information above in the form approved by the Director to each affected employee.

ESA mass termination posting requirements

- In addition, employers are required to post a copy of the notice that must be filed with the Director of Employment Standards:
  - In at least one conspicuous place in the employer’s establishment where it is likely to come to the attention of affected employees;
  - On the first day of the statutory notice period.
- Employers must ensure that the information remains posted throughout the statutory notice period

Tips when structuring reduction in force

- Consider providing employees with working notice of termination (as opposed to pay in lieu).
- Consider whether termination obligations can be negotiated and incorporated into the transaction (i.e. purchase and sale document).
- When determining the number of employees that will be included in the reduction, consider building in a “buffer” for unanticipated terminations.
- Consider staggering the terminations to avoid triggering the ESA mass termination obligations.
- Follow the Ministry of Labour’s prescribed notice of mass termination template.
- Ensure the ESA posting requirements are followed for a mass termination.

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Workplace flexibility: Changing terms and conditions of employment

Kyle Isherwood & Larysa Workewych

Introducing new terms

- Substantial changes can be essentially new agreements
- Unilateral changes can also mean a constructive dismissal
- Need to be approached carefully

Introducing new employment agreement

- Need all elements of a contract
  - Offer
  - Acceptance
  - Consideration
- Not enough that the employee agrees
  - **Need consideration**

No Consideration = No Contract

- If no consideration, then it is a mere promise:
    - Promises are not enforceable in court;
    - Language of the contract doesn’t matter.
- So what is consideration?

Consideration in employment agreements

- If done properly this is not an issue:
  - Employee provides services;
  - Employer agrees to pay;
  - This is consideration;
  - Easy at the start of employment.

Consideration in employment agreements

- BUT … continued employment is **not** consideration:
  - Courts view this as the employer complying with the terms of the original agreement.
  - Without “fresh” consideration agreement is unenforceable.
  - Applies to the 10-year employee and the 3-day employee.

Consideration in employment agreement

- Consideration can be almost anything
  - Signing bonus
  - Promotion
  - Extra paid days off
  - New benefits
  - Bonus
- **But not anything that would have otherwise been promised.**

Consideration in employment agreement

- Courts don’t assess adequacy.
- Concern is solely existence of consideration.
- *Giacomodonato v PearTree Securities Inc.:*

“It is not the role of the court to assess the adequacy of the consideration provided by PearTree or to assess whether or not the economic benefits obtained by Mr. Donato outweigh what he gave up”

“Courts are concerned with the existence, rather than adequacy, of consideration”

- **But you need the employee to agree**

Common consideration problems

- Employment contracts not signed before the employee starts;
- Signed “term sheets”;
- New terms added mid-employment;
- Transactional employment agreements.

What about negative changes?

- Employers have the right to structure their workplace.
- However, unilateral changes to the employment agreement can constitute a constructive dismissal.
- Fact specific analysis.

Strategies for constructive dismissal risk

- Reducing risks of constructive dismissal:
    - Communication
    - Provide lengthy notice of the changes.
    - Employees can condone the changes
    - Offer additional compensation

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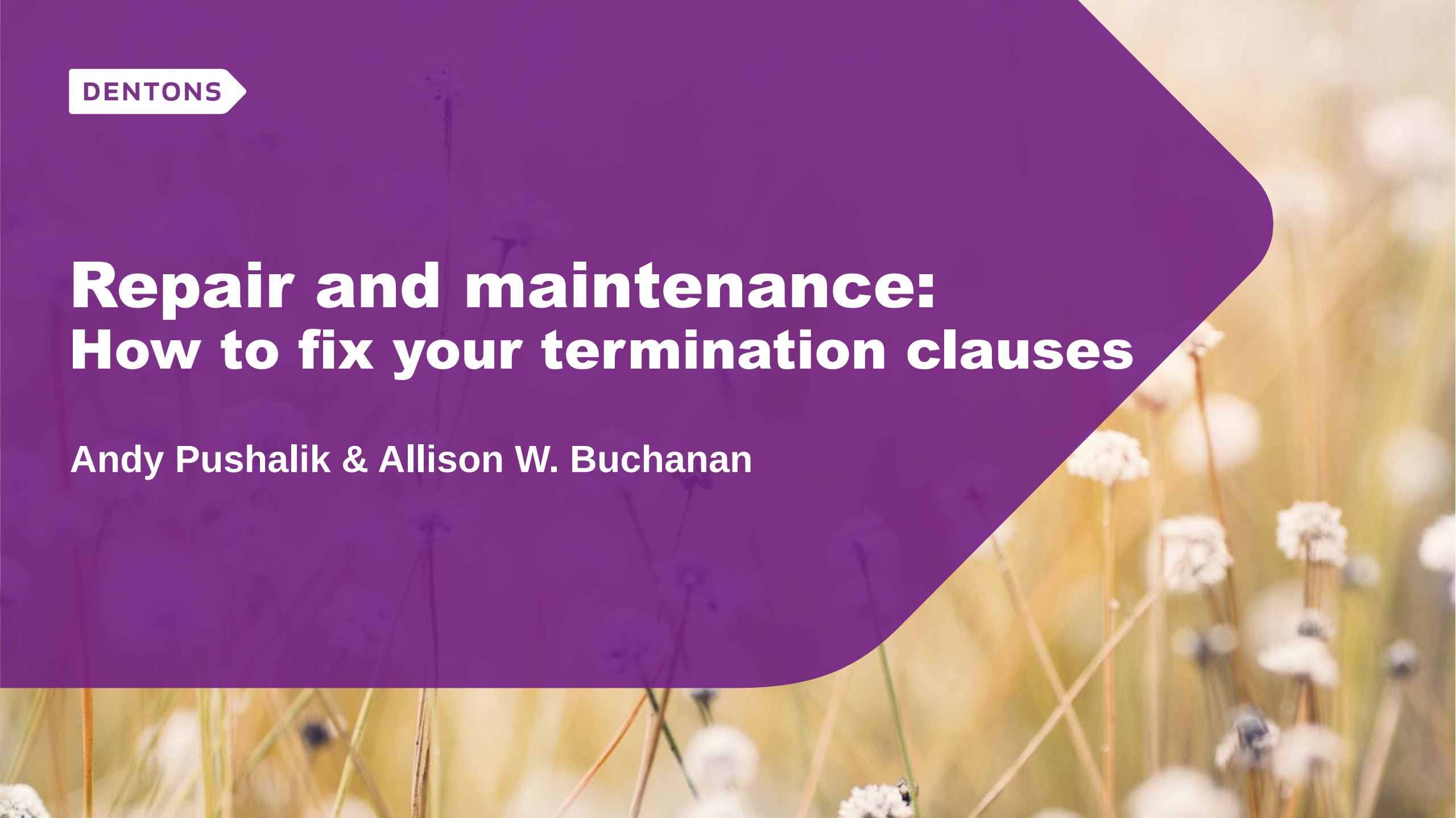
Repair and maintenance:
How to fix your termination clauses

Andy Pushalik & Allison W. Buchanan



The termination clause “rules”

1. All contractual provisions must meet the minimum notice requirements for termination without cause set out in the *Employment Standards Act, 2000* (*Machtinger v. HOJ Industries Ltd.*, 1992 CanLII 102 (SCC), [1992] 1 S.C.R. 986, [1992] S.C.J. No. 41, at p. 998);

2. There is a presumption that an employee is entitled to common law notice upon termination of employment without cause;

3. Provided minimum legislative requirements are met, an employer can enter into an agreement to contract out of the provision for reasonable notice at common law upon termination without cause (*Nemeth v. Hatch Ltd.*, 2018 ONCA 7, 287 A.C.W.S. (3d) 291 (Ont. C.A.) at para. 11 citing *Machtinger* at pp. 1004-1005);

4. The presumption that an employee is entitled to reasonable notice at common law may be rebutted if the contract specifies some other period of notice as long as that other notice period meets or exceeds the minimum requirements in the ESA (*Machtinger* supra, at p. 998);

The termination clause “rules”

5. The intention to rebut the right to reasonable notice at common law “must be clearly and unambiguously expressed in the contractual language used by the parties” (*Wood v. Fred Deeley Imports Ltd.*, 2017 ONCA 158 (CanLII), 134 O.R. (3d) 481, at para. 40);

6. The need for clarity does not mean a specific phrase or particular formula must be used, or require the contract to state that “the parties have agreed to limit an employee’s common law rights on termination”. The wording must however, be “readily gleaned” from the language agreed to by the parties (*Nemeth* at para. 9);

7. Any ambiguity will be resolved in favour of the employee and against the employer who drafted the termination clause in accordance with the principle of *contra proferentum (Miller v. A.B.M. Canada Inc.*, 2015 ONSC 1566 (CanLII), 27 C.C.E.L. (4th) 190, at para. 15 (Div. Ct.); *Ceccol v. Ontario Gymnastic Federation* (2001), 2001 CanLII 8589 (ON CA), 55 O.R. (3d) 614 (C.A.), at para. 45); and

8. Surrounding circumstances may be considered when interpreting the terms of a contract but they must never be allowed to overwhelm the words of the agreement itself (*Sattva* at para. 57).

The “any time” problem

- **Termination without Cause:** We may terminate your employment at any time, without just cause, upon providing you with only the minimum notice, or payment in lieu of notice and, if applicable, severance pay, required by the Employment Standards Act. If any additional payments or entitlements, including but not limited to making contributions to maintain your benefits plan, are prescribed by the minimum standards of the Employment Standards Act at the time of your termination, we will pay same. The provisions of this paragraph will apply in circumstances which would constitute constructive dismissal.

  - *The Act prohibits the employer from terminating an employee on the conclusion of an employee’s leave (s. 53) or in reprisal for attempting to exercise a right under the Act (s. 74). Thus, the right of the employer to dismiss is not absolute.*
  - *Baker v. Van Dolder’s Home Team Inc.*, 2025 ONSC 952

The fix

- We may terminate your employment at any time permitted by applicable law…
- We may termination your employment without cause by providing you with…

The “greater” problem

Term of Employment

…

The company may terminate the employment of the Managing Director by providing the Managing Director the greater of the Managing Director’s entitlement pursuant to the Ontario *Employment Standards Act* or, at the Company’s sole discretion, either of the following:

a. Two (2) months working notice, in which case the Managing Director will continue to perform all of his duties and his compensation and benefits will remain unchanged during the working notice period.

b. Payment in lieu of notice in the amount equivalent of two (2) months Base Salary. [Emphasis added.]

Andros v. Colliers Macaulay Nicolls Inc., 2019 ONCA 679

The “greater” problem

- The Court held that the termination clause could reduce “the benefits to which [the respondent] could be entitled on termination to something less than he would be entitled to under the *ESA*.”
- If clause 4(a) applied, it did not provide for severance pay and, if clause 4(b) applied, it did not provide for benefits
- The termination clause was unclear as to whether clauses 4(a) and 4(b) included statutorily-compliant severance and benefits
- At the time of signing, the employee would not have known whether he would be paid severance pay if clause 4(a) were applied, or if he would be paid benefits if clause 4(b) were applied

The fix

- Keep it simple – avoid formulas.
- If you really want a formula than avoid “the greater of”.
- Consider “we will provide you with your minimum entitlements under the ESA plus…”

A problem of employer choice…

- **Termination without Cause:** We may terminate your employment by providing you with notice or pay in lieu of notice equal to 4 weeks plus 2 weeks for every completed year of service. Upon termination, you will receive your wages earned to the date of termination, your accrued and unpaid vacation pay (if any). For certainty, your benefits will be continued only to the extent and for the minimum period required by the *Employment Standards Act, 2000*. You agree to accept the notice of termination or pay in lieu of such notice and other entitlements required by this paragraph in full and final satisfaction of any obligations that the Company has, or may have, arising out of the termination of your employment without just cause and you hereby expressly waive any entitlement you have to receive reasonable notice at common law.

The “employer’s choice” problem

- “[The Company] is entitled to terminate your employment at any time without cause by providing you with 2 weeks' notice of termination or pay in lieu thereof for each completed or partial year of employment with the Company. If the Company terminates your employment without cause, the Company shall not be obliged to make any payments to you other than those provided for in this paragraph. . . . The payments and notice provided for in this paragraph are inclusive of your entitlements to notice, pay in lieu of notice and severance pay pursuant to the *Employment Standards Act, 2000*.”
  - *Wood v. Fred Deeley Imports Ltd.*, 2017 ONCA 158
- Employers cannot provide statutory severance pay by working notice.

The fix

- Draft the termination clause so that it only offers pay in lieu of notice.
- Structure the termination clause so that it expressly references the employee’s entitlement to statutory severance pay.

A “defining” problem for just cause

- **Termination With Cause:** We may terminate your employment for just cause at any time without notice, pay in lieu of notice, severance pay, or other liability, other than any notice, pay in lieu of notice or severance required pursuant to the applicable employment standards legislation. For the purposes of this Agreement, just cause includes, but is not limited to:

  (i) a material breach of this Agreement or our employment policies;

  (ii) unacceptable performance standards;

  (iii) theft, dishonesty or falsifying records, including providing false information as part of your application for employment;

  (iv) intentional destruction, improper use or abuse of Organization property;

  (v) violence in the workplace;

  (vi) obscene conduct at our premises, property or during Organization-related functions at other locations;

  (vii) harassment of your co-workers, supervisors, managers, customers, suppliers or other individuals associated with the Organization;

  (viii) insubordination or willful refusal to take directions;

  (ix) intoxication or impairment in the workplace;

  (x) repeated, unwarranted lateness, absenteeism or failure to report for work;

  (xi) personal or off-duty conduct (including online conduct) that prejudices the Organization’s reputation, services or morale; or

  (xii) any conduct that would constitute just cause pursuant to common law.

A “defining” problem for just cause

- The termination with cause provision contains categories of “just cause” for termination without notice that would not constitute “wilful disobedience or neglect of duties” under the *Employment Standards Act 2000* Regulations.
- The first paragraph of the termination with cause provision contains the following words: “other than any notice, pay in lieu of notice or severance required pursuant to the applicable employment standards legislation”.
- In the judge’s view, those words were not sufficient to save the termination provision as they are immediately followed by categories that clearly do not comply with the ESA and the requirement for deliberate conduct.

The fix

- Do not include a list of conduct that will constitute “just cause”.
- Expressly state that in the event of a just cause dismissal, the employer will comply with the *Employment Standards Act, 2000* (as amended).
- Do you need a just cause termination provision?

How do I introduce a new employment contract for existing employees?

- Promotion letters
- Compensation changes
- Provide fresh consideration for the changes → Signing bonus, enhanced benefits, additional vacation

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Questions?

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Next up...

How to leverage employment insurance programs during difficult times

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How to leverage employment insurance programs during difficult times

Pamela Chan Ebejer, Partner
Fatimah Khan, Associate

In the context of current economic uncertainty where employers are worried about layoffs, how can they use employment insurance programs to mitigate the harm of tariffs, harm to employees from layoffs, and save money?

Agenda

- New Employment Insurance (EI) Work-Sharing Program
- Temporary relief methods:
    - Supplemental Unemployment Benefit (SUB) Plan
    - Suspension of Rules on Monies Paid on Separation
    - Discretionary Waiver of the One-Week Waiting Period
    - Adjusted regional unemployment rates
- EI Premium Reduction Program

Work-sharing agreements: What Are They?

- Assists employers and employees in avoiding layoffs and provides employees with income support when there is a decline in business for reasons beyond employer's control.
- A three-party agreement involving employers, employees and Service Canada:
  - Unions must be involved in unionized workplaces.
- Employees must agree to:
  i. a reduced schedule of work, and
  ii. share the available work equally over the term of the agreement
- Work-Sharing Agreements often must have a minimum duration of 6 weeks and can last up to 26 weeks:
  - Extensions can be requested for up to 12 additional weeks.

The new EI Work-Sharing Program

- New special measures for the EI Work-Sharing Program have been Implemented by the Government of Canada:
  - Announced on March 7, 2025
  - Expanded employer and employee eligibility and overall scope of Program for businesses affected by the U.S tariffs
- Introduced two key changes:
  i. Expanded employer and employee eligibility requirements
  ii. Increased the flexibility of the terms of Work-Sharing Agreement

EI Work-Sharing Program

What is it

- Program assists employers to avoid layoffs where there is a temporary decrease in business activities due to reasons beyond the control of the employer.
- Allows eligible employees to collect EI benefits during these periods of reduced working hours.

How to participate

- Employers, employees, and unions (if applicable) must agree to be a party to a Work-Sharing Agreement.
- Apply to Service Canada at least 10 business days before beginning the Work-Sharing Program.
- Further timelines apply once Service Canada approves the application:
    - Employers have ongoing reporting requirements throughout the Work-Sharing Agreement.

EI Work-Sharing Program: Expanded employer eligibility

Previous eligibility requirements	New eligibility
a year-round business operating in Canada for at least 2 years	have been operating in Canada for a minimum of 1 year
a private business, a publicly held company or a certain type of non-for-profit	are non-profit and charitable organizations experiencing a reduction in revenue levels as a direct or indirect result of the tariffs
have experienced a decrease in overall work activity of at least 10% in the past six months	are experiencing a decrease in work activity over the past six months.
have recovery measures in place to return employees back to normal staffing levels and regular work hours by the end of the Work-Sharing agreement	are cyclical or seasonal employers
have at least two eligible employees in the Work-Sharing unit that must share the available work equally	have a minimum of 2 EI eligible employees who agree to a reduction in hours and to share any available work

EI Work-Sharing Program: Expanded employee eligibility

Special measures now include:

- Employees who are not year-round, permanent, full-time or part-time employees; and
- Employees assisting the employer recovery efforts
  - Allows management employees to participate in the Work-Sharing Program

EI Work-Sharing Program: Amended time restrictions

- Work-Sharing Agreement restrictions have been loosened by the new Special Measures:
  - The length of an Agreement under this special measure can be extended up to 76 weeks – up from the maximum 12-week extension
  - The required cooling-off period between successive Work-Sharing Agreements has been waived.

Temporary relief methods: Supplemental Unemployment Benefit (SUB) Plan

- SUB Plans may be useful for an employer that wishes to make use of the EI program to help retain its employees and provide financial stability during a period of economic slowdown.
- Allows employers to “top up” regular EI benefits, so an employee can earn an aggregate of up to 95% of their normal weekly earnings.
  - Unique because ordinarily top-up payments reduce the amount of EI that an employee can receive.

SUB plan requirements	
1. identify the employee group(s) covered	6. require that the combined payment of SUB Plan benefits and EI benefits not exceed 95% of the employee's normal weekly earnings
2. apply to any period of unemployment caused by a temporary work stoppage, training, illness, injury, quarantine or any combination of these reasons	7. provide that, on plan termination, all remaining SUB Plan assets revert to the employer or be used for top-up payments or plan administration costs
3. require the employee be in receipt of EI benefits as a condition of payment or be serving the waiting period, have insufficient insurable employment hours to qualify for benefits, or have received all the benefits to which the employee is entitled	8. require that the SUB Plan be submitted to the Canada Employment Insurance Commission (Commission) prior to its effective date and that written notice of any change to the plan be given to the Commission within 30 days after the effective date of the change
4. be financed entirely by the employer, with separate accounts for top-up payments	9. provide that the employees have no vested right to payments under the SUB Plan (except during specified periods of unemployment)
5. provide that the amount of any SUB Plan benefits will not reduce any other employee remuneration or severance pay	

Temporary relief methods: Three major EI regulation amendments

On March 22, 2025, the federal government announced that it will be temporarily amending Employment Insurance (EI) regulations with three major changes:

1. The one-week waiting period for all EI claims will be suspended for six months.
2. The unemployment rate will be adjusted in all regions with an unemployment rate below 13.1%.
3. The normal rules regarding earnings paid upon a temporary or permanent separation from employment are being suspended for six months.

Purpose of the changes = to provide relief from an administrative burden for employers processing terminations and settlements during this period of economic uncertainty.

Temporary relief methods: Suspension of Rules on Monies Paid on Separation (March 30 – October 11, 2025)

- Similar to relief granted during the pandemic.
- Lump sum severance payments will not trigger EI repayment obligations where:
  - The claimant's benefit period begins between March 30, 2025 and October 11, 2025; or
  - The separation payment would otherwise be allocated to a period where the first week falls between March 30, 2025 and October 11, 2025 (dates are inclusive).
- Employers should note that EI repayment obligations can still apply for separations from employment that occurred before March 30, 2025.
- If the separation from employment occurs during the relief period, the temporary relief measures will suspend the EI repayment obligation for separation payments in respect of the separation from employment.
  - However, ongoing payments of employment income, such as salary continuance would still be allocated for EI purposes.

Temporary relief methods: Discretionary waiver of the one-week waiting period (March 30 – October 11, 2025)

- The standard one-week waiting period for all EI benefit periods commencing between March 30, 2025 and October 11, 2025 may be waived by Employment and Social Development Canada (ESDC).
- Applies to all types of EI claims.
- ESDC issued guidance that EI claimants may serve the waiting period if it’s to their advantage because of a top-up from a SUB plan.

Temporary Relief Method: Adjusted Regional Unemployment Rates (April 6 – July 12, 2025)

Purpose: reduce the number of insurable hours that employees need to qualify for regular EI benefits.

The unemployment rate will be adjusted in all regions with an unemployment rate below 13.1%.

- For any region with unemployment at or below 6.1%, the unemployment rate will be adjusted to 7.1%.
- For regions with unemployment between 6.2% and 12%, the unemployment rate will be increased by 1%.
- For regions with unemployment between 12.1% and 13%, the unemployment rate will be adjusted to 13.1%.

EI Premium Reduction Program: Short-Term Disability Plan

Overview

- A federal program that allows employers to pay reduced EI premiums when they offer qualifying short-term disability plans.
- Recognizes that short-term disability plans reduce reliance on EI sickness benefits.

Key Benefit

- Lower EI Premium Multiplier (less than the standard 1.4x rate):
  - Must return 5/12 of premium savings to employees.
- Supports cost-efficiency during economic slowdowns.
- Offset employee costs without cutting staff or benefits.

EI Premium Reduction Program: Short-Term Disability Plan

Requirements - To be considered for a premium reduction, your short-term disability plan must:

- Provide at least 15 weeks of benefits for short-term disability
- Match or exceed the level of benefits provided under EI
- Pay benefit to employees within 8 days of illness or injury
- Be accessible to employees within 3 months of hiring, and
- Cover employees on a 24-hour-a-day basis

Application Process

- Submit application to Service Canada
- Include documentation of plan

Eligible Plan Types:

- **Weekly Indemnity Plans** (short-term income replacement)
- **Cumulative Paid Sick Leave Plans** (e.g., 1 day/month, up to 75+ days)

Reduction rate varies and is based on which qualified plans category the short-term disability plan falls under

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Questions?

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Navigating through uncertainty: HR leaders panel

Ginger Butler, LifeLabs
Stephanie Hedley, CN
Karen Smith, Bruce Power

Moderated by: Andy Pushalik

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Thank you!

Feedback survey