



advisor COMMUNICATION

January 2017

EI Legislative Change

As of January 1, 2017, the federal government has implemented a revised Employment Insurance (EI) waiting period, reducing the EI waiting period from 2 weeks to 1 week. There will be no impact on the number of weeks (15) covered by this benefit, however the traditional 2 week EI waiting period followed by 15 weeks of paid benefit will change to a 1 week waiting period, followed by 15 weeks of paid benefit, and then 1 week with no paid benefit.

Groups who currently participate in Service Canada's EI Premium Reduction Program and whose Short Term Disability (STD) Elimination Period is longer than 1 week will need to amend their STD Elimination Period to 1 week or less in order to remain eligible for the EI Premium Reduction Program. Service Canada has agreed to a transitional timeframe of up to 4 years for groups to make this change. A letter from Service Canada will be sent this month (January 2017) to each client whose STD benefit currently has an Elimination Period of longer than 1 week, advising them of the changes and the 4 year transitional timeframe.

Plans that integrate their Long Term Disability (LTD) plan with the expiry of EI benefits or EI-equivalent STD benefits will need to amend their plan to reduce their LTD waiting period by 1 week (from 17 to 16 weeks) if they wish to avoid the 1 week unpaid gap between the end of the EI benefit period and the commencement of the LTD benefit.

Different options are being provided by each of RWAM's carrier partners. Changes will be quoted upon individual client request and will typically incur a rate increase, depending on the option selected. An amendment will be required. Retroactive amendments will not be allowed as they may affect claims already in progress.

Please discuss these changes with your clients and contact your RWAM Group Marketing Representative if you would like a carrier quote to be provided now, or at renewal for any of your clients.