

Increase in EI maximum insurable earnings affects STD plans

The federal government recently announced the 2012 Employment Insurance (EI) premium rates and maximums.

New rates effective January 1, 2012	
Maximum insurance earnings	\$45,900
Maximum weekly EI benefit	\$485

This increase affects Short-Term Disability (STD) plans where:

- the maximum STD benefit is based on the EI maximum weekly benefit (\$485 for 2012), or
- the EI maximum earnings amount is used to calculate the STD benefit.

System changes

We updated our systems so that STD claim payments reflect the increase in EI maximum insurable earnings threshold, and premiums reflect the increase in the STD benefit amount payable.

- If your plan doesn't need a contract amendment, these updates are effective January 1, 2012.
- Although the revised STD benefits payable is effective with the January Notice of Payments due, some plan sponsors may not see the revision until their February Notice. In those cases, the Notice will also show any retroactive adjustments for January.
- If you prepare your own premium statement, you will need to ensure you incorporate these changes into your system and processes.

Contract adjustments

If your plan's maximum disability benefit is based on the EI maximum weekly benefit or earnings, no contract amendment is required. STD benefits will be automatically-adjusted for claims where the total disability started on or after January 1, 2012.

If your plan's specific maximum benefit amount is less than the EI weekly maximum of \$485, you need to let us know if you want to adjust your STD benefit payable to reflect the new EI maximum weekly benefit. It's important to understand that continuing with the lower benefit amount may mean your plan will no longer qualify for the EI premium reduction program.

Questions?

Please contact your Sun Life Financial group benefits representative.