

Increase in EI maximum insurable earnings affects STD plans

The federal government recently announced the 2016 Employment Insurance (EI) premium rates and maximums, effective January 1, 2016:

New rates effective January 1, 2016	
Maximum insurance earnings	\$50,800
Maximum weekly EI benefit	\$537

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

- the maximum STD benefit is based on the EI maximum weekly benefit (\$537 for 2016), or
- the EI maximum earnings amount (\$50,800 for 2016) 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 STD plan's maximum disability benefit is based on the EI maximum weekly benefit or earnings, STD benefits will be automatically adjusted for claims where the total disability started on or after January 1, 2016.
- If our system update happened before your January 'bill run date,' you will see these changes on your January bill. If our system update happened after your January 'bill run date,' you will see these changes on your February bill with any applicable retroactive adjustments for January.

Self billing

Plan sponsors that do their own billing need to ensure they incorporate these changes into their own system and processes as their billing statement must reflect the new premium calculated on the higher volumes for any members impacted by this change.

Contract adjustments

If your plan's contract wording indicates a specific STD maximum benefit amount that is less than the new EI weekly maximum of \$537, you need to let us know if you want to revise your STD benefit payable to reflect the new EI maximum weekly benefit. It's important to understand that continuing with the lesser benefit amount may mean your plan will no longer qualify for the EI premium reduction program.

Questions?

Contact your Sun Life Financial group benefits representative.