

Impacts of the new Employment Insurance waiting period

Effective January 1, 2017, the Employment Insurance (EI) waiting period has been reduced [from two weeks to one week](#) by the Government of Canada. The duration of the EI benefit remains unchanged, at 15 weeks.

How does that impact you?

EI Integrated Plans

If your short-term disability (STD) plan integrates with EI, for example, a wrap-around, carve-out, or Supplemental Unemployment Benefit (SUB) plan, we recommend you update your plan to align with the new EI payment schedule.

Until plan revisions are made to the integrated plans, for all STD claims with dates of disability on or after January 1, 2017, Sun Life will be managing as follows:

- Sun Life will pay the first week (minus the applicable elimination period under your plan)
- EI will pay weeks two through 16
 - For *SUB* plans, SLF will provide a top-up during this period, as applicable
 - For *wrap-around* plans, SLF will pay this period if the plan member is not eligible for EI benefits, as applicable
- Sun Life will pay week 17 and the remainder of the STD period if the plan member remains totally disabled

Some important notes:

- If the plan member is not eligible for EI benefits:
- Under a *carve-out* plan, the plan member will also not be eligible for STD benefits from weeks two to 16
- Under a *wrap-around* plan, SLF will pay during what would otherwise be the EI benefit period
- If your plan has an elimination period of 7 days or more, there will no longer be any benefit payable under the Sun Life plan prior to the start of EI benefits, so we recommend that the plan member go straight to Service Canada for their EI benefit (based on their eligibility for EI). This saves both you and the plan member time in completing the STD forms when no benefit is payable, and saves the plan member the expense of having the Sun Life Attending Physician's Statement completed.
- If your plan includes a zero day elimination period for *accidents* or *hospitalization*, we will continue to need the STD claim forms submitted, where applicable.

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- If your STD plan has a maximum benefit period of 17 weeks, we do not need the STD claim forms submitted for payment of the 17th week (where the plan member remains totally disabled). With the submission of the long-term disability (LTD) claim forms, we will also assess the plan member's entitlement to the 17th week of payment under the STD plan and will communicate our decision on the STD and LTD claim at the same time, to both you and the plan member.

STD Plans

If your STD plan is registered with the EI Premium Reduction Program (PRP), with an elimination period of more than seven days, you will have to reduce the elimination period under your STD plan to seven days in order to remain eligible for the program. You may also wish to review the STD maximum benefit period to ensure there is no gap in coverage between STD and LTD. Our understanding is that Service Canada will be providing a transition period for plans sponsors to make changes to their plans, and would suggest that you check with them directly for details.

New plans effective January 1, 2017 or later that are part of PRP are required to comply with new requirements as of the effective date of the plan. Sun Life is working to ensure that new plans are set up according to new PRP requirements if the Plan Sponsor wishes to remain part of the program.

You can find more information about the changes to the Employment Insurance Act and Premium Reduction Program [here](#).

LTD Plans

If you have an LTD plan, you may want to adjust the elimination period from 17 weeks to 16 weeks. While this is not a required adjustment, it will help to ensure there is no gap in coverage for plan members being directed to EI for the first 16 weeks of their absence or who are receiving benefits under an EI-equivalent STD plan.

Changes to rates, contracts and booklets

Rate changes to revised STD and LTD plans will be assessed on a plan-by-plan basis. Your contract and booklets may need to be revised, but our priority is to make sure that plan members' claims are handled correctly.

Next steps

If you have not yet considered revisions that may be needed for your plans in light of the new EI waiting period, you can speak to your Sun Life group benefits representative to discuss if you need to make any changes and what your options might be.

Questions?

Contact your Sun Life Financial group benefits representative.

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