

Increase in EI maximum insurable earnings affects STD plans

The federal government announced the 2018 Employment Insurance (EI) premium rates and maximums.

| New rates effective January 1, 2018 | |
|-------------------------------------|-----------|
| Maximum insurance earnings | \$ 51,700 |
| Maximum EI benefit | \$ 547 |

This increase affects Short-Term Disability plans where:

- Maximum STD benefit is based on the EI maximum weekly benefit (\$547 for 2018)
- 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, 2018.
- Although the revised STD benefits are 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, 2018.

FOCUS update

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If your plan's specific maximum benefits amount is less than the EI weekly maximum of \$547, 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?

Contact your Sun Life Financial group benefits representative.

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