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Presentation Roadmap

*Understanding the changing landscape of employee benefits during a global pandemic*

Outline & Intro
1) Income Relief Options - *for Employees*
2) Income Relief Options - *for Employers*
3) Reducing Employer Risks during the Crisis
Q&A
Goal of this webinar

- To help employers understand options available to them for income and benefit relief help during this COVID-19 crisis
- To understand employee benefit relief to help supplement and inform labour decisions
- To issue spot, minimize and hopefully avoid benefits related risks
- Get the ideas flowing about how your business can survive the next few difficult months
- POV:
  - Insurance policy terms
  - Legal terms
  - Practical reality in a global pandemic so we all get through this somehow
(1) Income Relief Options for Employees
Income Relief Options - Employees

- Ontario Employment Standards Act Covid-19 Unpaid Leave:
  - Job protection, not a benefit
  - Do we have to continue benefits during the new ESA leave?
  - Can I ask for volunteers to use the unpaid leave?
- Can I require employees to use up their unused vacation and sick leave time first?
Income Relief Options - Employees (cont’d)

- Government Programs for Employees:
  - Regular EI
    - 55% of up to a max of $54,200 insurable earnings (ie max of $573/wk)
    - 14-45 weeks, depending on region (for Toronto: need 700 insurable hours, up to 36 weeks of regular bens)
  - CERB - Canadian Emergency Response Benefit
    - New COVID-19 benefit
    - Applies to employees, contract workers, self-employed
    - No income threshold - everyone gets $500/wk for 16 weeks
Government Programs for Employees:

- **EI Sickness Benefits**
  - Up to 15 weeks of income replacement
  - Also 55% of up to a max of $54,200 insurable earnings (i.e. max of $573/wk)
  - If COVID-19 related: 1 week waiting period waived; no med note required
  - New specific COVID-19 number to call:
    - Telephone: 1-833-381-2725 (toll-free)
    - Teletypewriter (TTY): 1-800-529-3742

- **Maternity/Parental Leave Benefits**
  - Same as before
  - May be more relevant 9 months from now ;)

New specific COVID-19 number to call:
Income Relief Options - Employees (cont’d)

- Sick Leave Benefits for Employees:
  - **STD Benefits**
    - Either third-party insured or self-insured
    - What if laid off *during* the STD application process but *before* decision made?
    - Can I lay off an employee on STD benefits?
  - **LTD**
    - (probably not a relevant relief option for employees during COVID-19 pandemic)
Paperwork for Employees

- The government relief programs require an ROE for employees
- Code A Shortage of Work at Block 16
- Notify in writing wherever possible
- What about the new CERB benefits?
(2) Income Relief Options for Employers
## Income Relief Options - Employers

<table>
<thead>
<tr>
<th>Layoff (furlough)</th>
<th>Termination (fired, dismissal, sever)</th>
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<tbody>
<tr>
<td>Temporary with intention to recall employee when business picks up</td>
<td>Permanent end to employment contract and relationship</td>
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<tr>
<td>No “severance” or payment owed</td>
<td>Termination pay triggered</td>
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<tr>
<td>Will be deemed a termination and trigger termination pay if layoff lasts longer than specific period of time (13 or 35 weeks in Ontario)</td>
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Income Relief Options - Employers (cont’d)

- **SUBP - Supplemental Unemployment Benefit Plan**
  - Employer plan to top up employees' EI benefits during a period of unemployment due to a temporary or indefinite layoff
  - If registered, then top up payments are not set off against EI payments
  - Can top up up to 95% of employee's income (less EI payments)
  - Can employer do SUBP top up if employee on a self-funded STD Plan?
Income Relief Options - Employers (cont’d)

- **Workshare**
  - Program where employees work reduced hours and get EI benefits
  - Must reduce hours from 10-60%
  - Must be at least 6 weeks; up to 76 weeks under COVID-19 measures
  - Employees not eligible includes senior management and more than 40% owner
  - How would modified hours impact Workshare EI coverage?
Income Relief Options - Employers (cont’d)

- **Small Business Temporary Wage Subsidy Program**
  - For a period of three months
  - 10% of employee pay
    - to a maximum of $1,375 per employee or $25,000 per employer
  - Available to:
    - Not-for-profits
    - Registered charities
    - Canadian-controlled private corporations with taxable capital employed in Canada of less than $15 million (for preceding tax year)
Other Ideas

- Delayed CRA tax payments
- Delayed payroll tax payments
- Insurer premium holidays
- Extended bank credit
- Discounted projects to clients lucky to be in the right industry right now
- Talk to staff and offer up unpaid leave, in case anyone does want this
(3) Reducing Employer Risks During the Crisis
The Layoff Landscape

- We don’t include a layoff section in the employment contract - can I lay off the employee anyways?
- Is it really a constructive dismissal?
- Should we continue benefits during the layoff?
- Are we required to provide a specific benefit or to just pay a premium for a benefit?
- What if our benefit booklet is silent on layoffs?
The Layoff Landscape (cont’d)

- **If continuing benefits:**
  - Can we continue only some of the benefits?
  - Must employees continue to pay their portion of the benefits?
  - What if the employee refuses?
  - How do we receive employee premium payments during a layoff?

- **If not continuing benefits:**
  - Do we give notice like a regular benefits change?
  - What if an employee gets sick while on layoff but has no access to benefits?
Benefit Services During COVID-19

- Can employers get a premium discount for unavailable services?
- How do we handle complaints about benefit costs without access to in-person services?
  - Certain Insurance Providers are accepting receipts for virtual appointments such as Dietitian, Naturopath, Occupation Therapist, Optometrist, Physiotherapist, Psychologist, Social Worker, Speech Therapist
- Are employers required to cover ergonomic tools in home offices? Are they covered under our benefits plan?
Working During COVID-19

- If we are an essential service required to remain open, what risk do we have if an employee tests positive for COVID-19?
- Can our employee claim WSIB benefits if they test positive for COVID-19?
- Are there other benefits to consider for employees exposed to COVID-19? STD or LTD benefits?
- Will my employee have a travel insurance claim if they contract COVID-19 while on a work trip?
We’re laying off the full office - how do we handle benefits for employees out on a parental or sick leave?

What happens to the employee portion of a benefit if we get a premium holiday (e.g. for 60 days)? How should payroll deal with any co-payments?

My brain hurts from all these benefits questions. Is there a special insurance policy for that?
Take-aways

Photo by Claire Mueller on Unsplash
Takeaways

• Hot tip: toilet paper will not cure COVID-19
• We’re in uncharted waters - do not expect to have all the answers!
• Go back to the basics:
  ○ What promises are in the employment contract?
  ○ What does the benefit plan say?
• Email or pick up the phone and ask questions. This is tricky stuff.
Questions?

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Thank you!