Employment Insurance Benefits – TransAlta-Fact Sheet -- September 2018

Employees should apply for benefits on or after the last day worked but **within four weeks of their last day of work** even if they are receiving severance payments or if they have not received their Record of Employment (ROE).

EI eligibility and Calculations

- Individuals age 65 years and older can apply and receive EI.
- There are no age restrictions in regards to applying for EI –claimants must meet eligibility criteria to receive benefits but age is not part of the eligibility criteria.
- There are no special considerations/ calculations for applicants 65 years of age or older in regards to EI. Although the standard age is 65 to collect CPP- you can apply for CPP as early as 60 or any time after 65 up to 70. Please see the next section for how CPP or other pensions can affect your claim.

How do Pensions affect Employment Insurance?

Any pension that arises from employment may affect the amount of money you receive from employment insurance. Examples would include:

- DC and DB Pension plans
- CPP
- Quebec Retirement Pension Plan

Pensions that are not related to employment are not considered earnings for employment insurance purposes and will not be allocated on a claim. Examples include:

  - survivor's or dependent's pension
  - Old Age Security pension and supplement
  - allowances paid to veterans under the *War Veterans Allowance Act*
  - pensions from divorce settlements
  - additional voluntary contributions
  - privately purchased pension plans
  - disability pension of any type

Exempt Pensions: Pensions, because they continue to be paid for life, are different than all other types of earnings. Although pension income is earnings, these earnings can be exempted from allocation if three conditions are met.

  - the claimant must accumulate the number of insured hours required to establish a claim,
  - the insurable hours must be accumulated after the date the pension became payable, and
  - the claimant must be receiving pension payments during the entire period he/she is accumulating the required insured hours to establish a claim

All pensions if they are not exempt- and if they are considered earnings (ie arise from employment) are allocated against the claim.
If you are in receipt of a Pension or Pensions and you have not worked the number of insured hours after receiving the Pension or Pensions to establish a new claim the pension will be broken down into a weekly amount and that amount will be deducted by 50% from your benefit rate. You will receive the remainder of the benefit rate.

*****While pensions may prevent payment of benefits they do not prevent a person from applying for benefits. It is important to always apply for benefits and include all pension information on the application so we can determine your eligibility on a case by case basis.*****

EI calculations for situations where an employee has been on leave
i. Compassionate Care
ii. Maternity
iii. Short term disability

- EI is calculated the same as if the employee had been at work. We look back 52 weeks (qualifying period) or to the start of the last EI claim to see if they have the hours to establish a claim. (420-700 hours for Regular benefits or 600 hours for Special benefits)
- If the claimant is concerned with lower earning weeks- affecting their Benefit Rate-ie/ their pay has not been the same in the last 52 weeks and they have weeks of higher earnings, they can fill out the Variable Best Weeks (VBW) form on the application with their highest weeks of pay.

When the client does not provide Variable Best Weeks information the average weekly insurable earnings is calculated using proportional averaging of the Record of Employment from the employer.

EI eligibility for employees who worked January 2018-September 2018

Anyone can apply for EI when they have experienced an interruption of earnings- if they meet the qualifying conditions as follows they can still receive payments:

- were employed in insurable employment;
- lost your job through no fault of your own;
- have been without work and without pay for at least seven consecutive days in the last 52 weeks;
- have worked for the required number of insurable employment hours in the last 52 weeks or since the start of your last EI claim, whichever is shorter;

Every situation is different; therefore, it is not possible to state that all employees are entitled to benefits following an interruption of earnings in September 2018. Thus, it is important to emphasize that all employees should apply for benefits once they experience an interruption of earnings and then we can review if they meet the qualifying conditions.

There is no minimum or maximum threshold in a year to apply for Employment Insurance. However claimants with a net yearly income exceeding a specified threshold must repay either a percentage of the

EI regular benefits they received during the tax year or a percentage of their net yearly income that exceeds the specified threshold.

The yearly benefit repayment threshold is 1.25 times the year's maximum insured earnings, so the threshold can be different each year. For clients to be subject to the benefit repayment provision, they must meet all the following conditions:

1. The client must have received at least one week of regular EI or regular fishing benefits in the preceding 10 years. The one week of regular EI benefits does not have to be paid for the same week: it can be made up of partial week amounts that add up to one week of benefits paid.
2. The client must have received regular EI, regular fishing (summer or winter) or EI Part I benefits paid under section 24 (WS) and section 25 (training, job creation, apprentice) of the EIA in the tax year under review.
3. The client net income for the tax year under review must exceed the yearly benefit repayment threshold for the year.