



# INFOSHEET

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## Teachers and Employment Insurance

### Introduction

This infosheet provides an overview of the main issues in Employment Insurance (EI) as they may apply to teachers. EI is a benefit available to individuals who, for various reasons, find themselves without employment, or unable to work. It is important to understand the basic benefit structure and how the relevant rules and regulations may apply to your own individual circumstances.

### Contribution

Teachers and their employers contribute to EI at a percentage rate of monthly salary up to a maximum contribution level which is set each year. EI premiums are tax deductible.

### Eligibility

In order to be entitled to regular EI benefits, a teacher must have accumulated **a minimum of 420 to 910 hours** of insurable employment in the past year. The actual number of insurable hours required will depend on the regional rate of unemployment in each geographic area. In Newfoundland and Labrador, new entrants to the labour force and those who have been out of the labour market for more than two years will have to obtain 910 hours to qualify for benefits. A minimum of 600 hours within the last year, or since the last EI claim, is required to qualify for sickness, maternity, parental, PCIC or compassionate care benefits.

Every hour of insurable employment, or part thereof, with any employer, will count toward eligibility for benefits. For teachers in Newfoundland and Labrador, a day of teaching is reported as eight hours of employment for EI purposes only. A part of a day is pro-rated based on a fraction of eight. For example, a 3-hour morning session out of the 5-hour instructional day counts as 4.8 hours (60 percent of 8) for EI purposes.

### Benefit Level

As of January 1, 2016, the maximum EI benefit level is 55 percent of average insured earnings up to a yearly maximum of \$50,800 or \$537 per week. Individuals who work while in receipt of EI benefits and earn enough to reduce EI benefits can earn work credits and will be credited a number of hours equivalent to the benefits not received.

### Suitable Employment

In determining what constitutes suitable employment in a job search while in receipt of Employment Insurance benefits, the program categorizes claimants into three groups based upon an assessment of their contribution and claim history. Any assessment of a claimant's job search will include consideration of available employment opportunities and commute time. Under normal circumstances a claimant will not be expected to accept a job which requires a commute, to or from their residence to place of employment, longer than one hour. Claimants will be placed in one of the following categories based upon a review of their contribution and claim history.

### Long-Tenured Workers

A long-tenured worker is defined as an individual who has paid at least 30 percent of the annual maximum EI premiums for at least seven out of the last ten years; and over the last five years received 35 or fewer weeks of EI regular benefits. For persons in this category, suitable employment will be defined as the same occupation with wages 90 percent of previous earnings for the first 18 weeks in receipt of regular EI benefits. After 18 weeks suitable employment will include similar occupations with wages 80 percent of previous earnings.

### **Occasional Claimants**

Occasional claimants include all claimants not covered by the definitions for either Frequent Claimants or Long-tenured Workers. For persons in this category, suitable employment will be defined as the same occupation with wages 90 percent of previous earnings for the first six weeks of EI benefits. Between seven and 18 weeks suitable employment will be similar occupations with wages 80 percent of previous earnings. After 18 weeks of receiving regular benefits, suitable employment will be defined as any work with wages 70 percent of previous earnings.

### **Frequent Claimants**

Frequent claimants will have three or more claims and more than 60 weeks of regular benefits in the past five years. For persons in this category, suitable employment will be defined as similar occupations with wages 80 percent of previous earnings for the first six weeks of EI benefits. After six weeks, suitable employment will be considered any work with wages 70 percent of previous earnings.

All persons in receipt of regular EI benefits have always been expected to engage in a constant job search while on a claim. This requirement has not changed; however, as a result of the above-referenced regulatory changes, teachers must be mindful in their declared job search of what the definition of suitable employment is for the category of claimant they fall into. A teacher defined as a long-tenured worker can restrict their job search to the field of education for the first 18 weeks of their claim. A teacher defined as an occasional claimant can restrict their job search to the field of education for the first six weeks of a claim. Those teachers defined as frequent claimants must include similar occupations in their job search once they start receiving regular benefits, keeping in mind that an occupation with a wage representing 70 percent of previous earning can be considered suitable employment under certain circumstances.

### **Earnings While Receiving EI Benefits**

Claimants claiming regular, parental or compassionate care benefits can, under certain conditions, declare earnings without changing the amount of EI Benefit they receive. Under a pilot project until August 6, 2016 claimants may claim 50 percent of their EI Benefit for every dollar earned, up to 90 percent of

the weekly insurable earnings. However, there is a second option for some claimants. Under a previous working while on claim pilot project (Pilot Project No. 17), if claimants earned less than \$75 or 40 percent of their weekly EI benefits, whichever was greater, their benefits were not reduced. Benefits were reduced by every dollar earned about this threshold. EI claimants in receipt of Regular, Parental, Compassionate Care or Parents of Critically Ill Children (including fishing) benefits, who had earnings while on claim between August 7, 2011 and August 4, 2012 and who reverted to the rules that existed under that previous pilot for all eligible EI claims they were on between August 5, 2012, and August 1, 2015, may be able to revert to the rules that existed under that previous pilot project. Please note that once a claimant decides to revert to the provisions of the previous of the previous pilot, it will apply for the entire duration of their claim, or until August 6, 2016, whichever is earlier. The decision will be irreversible, even if personal circumstances change. Individuals filing for applicable benefits with earnings to report will be automatically registered for the new method.

Teachers reporting earnings while receiving EI benefits are encouraged to wait until the end of their claim period before assessing which method provides the greatest financial beneficial. This will allow the teacher to properly consider their earning history. Teachers have 30 days following the end of their claim, i.e. from the date of the last payment or notice of non-payment, to request a change in method. Teachers who have questions regarding the Employment Insurance Program are encouraged to contact an NLTA Programs and Services Administrative Officer for advice. Teachers receiving maternity or sickness benefits will have earnings deducted from benefits on a dollar-for-dollar basis.

### **Waiting Period**

An individual who applies for EI benefits normally must serve a two-week unpaid waiting period. Those who leave work voluntarily or have been suspended/terminated from their employment may be disqualified completely. Each case is adjudicated on its own merits. The waiting period may be waived in claims for sickness benefits where a claimant was paid sick leave immediately before their cessation of earnings.

### **Major Criteria (Regular EI)**

In addition to the required number of insurable hours, persons eligible for EI must be: (i) available for full-time employment; (ii) ready to accept not only teaching positions but other suitable employment; (iii) conducting an active job search; (iv) prepared to accept a salary that is appropriate for the position available; and (v) able to access necessary transportation.

### **Sickness and Disability**

EI sickness benefits are available to persons who have the required hours of insurable employment and are unable to work because of illness/disability. Sickness benefits are available for a maximum of 15 weeks while school is in session.

### **Maternity/Parental**

A maximum of 50 weeks (15 maternity/35 parental) of benefits may be claimed by birth mothers who have the required hours of insurable employment and who take leave from work following childbirth. The 35 weeks of parental benefits may be claimed by either parent or can be shared between them. If both parents share parental benefits, only one person has to serve a waiting period. Pregnant women can begin claiming maternity benefits up to eight weeks before their expected date of delivery and, normally, parents have up until one year from the date of birth or adoption to claim maternity and/or parental benefits. However, if medical requirements are met, parents of children who are hospitalized for an extended period after birth or adoption may have up to two years to claim parental benefits. **Note:** The total special benefits payable on any one claim (including sickness, maternity and parental benefits) is normally 50 weeks. However, a medically required extension of the special benefits limit is available for biological mothers who claim sickness benefits during their pregnancy. They may be eligible to have the 50-week special benefits cap increased by one week for each week of sickness benefits they qualify for.

### **Adoption**

A maximum of 35 weeks of parental benefits may be claimed by either parent who adopts a child, if he/she has the required hours of insurable employment under the parental leave provisions. The 35 weeks can also be shared between them.

### **Compassionate Care**

A maximum of twenty-six weeks of benefits are available for persons who have the required insurable hours and who must be away from work temporarily to care for a “family member” who is gravely ill with a significant risk of death within six months. There is a prescribed list of eligible family members and a medical certificate is required.

### **Parents of Critically Ill Children**

Parents who have to be away from work to provide care or support to a critically ill or injured child may be eligible for up to a maximum of 35 weeks of EI special benefits for Parents of Critically Ill Children (PCIC). Once a parent applies for the PCIC benefit, they must submit a medical certificate signed by a specialist medical doctor attesting that their child is critically ill or injured and requires their care or support. To be eligible to establish a claim for the PCIC benefit, a parent must be able to show that:

- their regular weekly earnings from work have decreased by more than 40 percent because they need to provide care or support to their critically ill or injured child;
- they have accumulated 600 insured hours of work in the 52 weeks prior to the start of their claim, or since the start of their last claim, whichever is shorter;
- they are a parent of the child who is critically ill or injured; and
- the child is under 18 years of age at the time the 52-week window opens. If the child turns 18 years of age during the 52-week window, the parent still remains eligible to receive the PCIC benefit. The 52-week window begins on the day the medical certificate is issued; or, if the claim is made before the certificate is issued, from the date the specialist medical doctor certifies that the child is critically ill or injured.

The PCIC benefit can be shared between parents, either at the same time or separately, to a combined maximum of 35 weeks during the 52-week window.

(Information reproduced from publications located at <http://www.servicecanada.gc.ca/eng/sc/ei/pcic/eligibility.shtml>; <http://www.servicecanada.gc.ca/eng/sc/ei/pcic/additional-information.shtml> and <http://www.servicecanada.gc.ca/eng/sc/ei/pcic/definitions.shtml#def1>.)

## **Retirement**

Regular pension income is considered earnings for EI purposes. Therefore, most retired teachers will not be eligible for EI once they are in receipt of a pension. However, retired teachers who take up other employment, including substitute teaching, may become eligible for EI benefits based on that new employment once the qualifying conditions have been met. Disability pension income is not considered earnings for EI purposes, and teachers in receipt of same may qualify for either the 15 weeks of sickness benefits or regular EI benefits, depending on their level of disability.

## **Benefits During Summer and School Breaks**

EI refers to the time a teacher is not working each year (the summer months of July and August, Christmas and Easter breaks), as the “non-teaching periods”, and teachers are generally disqualified from receiving regular EI benefits during these periods. There are three exceptions to this rule which could allow regular EI benefits to be paid to:

- (i) a teacher whose teaching contract ends on or before the beginning of the non-teaching period and who is not contracted to teach when school starts up after this period;
- (ii) a teacher who was employed as a casual or substitute teacher only; or
- (iii) a teacher who qualifies for EI based on employment in an occupation other than teaching.

EI sickness benefits are not payable during the non-teaching periods to teachers on continuing contract, unless the contract ends. Maternity/parental benefits or compassionate care benefits may be payable. EI

special benefits for parents of critically ill children also may be payable.

## **Teachers on Leave**

Teachers on leave of absence may be eligible for EI benefits if they meet the eligibility requirements and can show “just cause” for voluntarily leaving their employment.

## **Applying**

To apply for EI benefits, teachers may fill out an application form at their Service Canada office or apply online at:  
[http://www.servicecanada.gc.ca/eng/ei/application/applying\\_for\\_benefits.shtml](http://www.servicecanada.gc.ca/eng/ei/application/applying_for_benefits.shtml)

## **Reconsideration and Appeals**

If a teacher’s application for EI benefits is rejected, he or she can request a reconsideration of that decision. If a teacher disagrees with a reconsideration decision, he or she can appeal that decision. Contact the NLTA for advice before filing a request for reconsideration or appealing. The NLTA will represent you at the appeal if the case is valid in the opinion of the Association.

Generally, a request for reconsideration must be submitted to Service Canada within 30 days from the date the decision was communicated to the teacher. A teacher can submit an appeal of a reconsideration decision within 30 days of receiving his or her reconsideration decision.