

BULLETIN

Employment Insurance

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by SARAH O'LEARY



How will the new Employment Insurance provisions affect me?



In the 2000 federal budget, the Liberal government introduced some changes to the Employment Insurance Act. Bill C-32: An Act to Implement Certain Provisions of the Budget was tabled in parliament on February 28, 2000. These changes will have an impact on all of us who may need to draw employment insurance at some point in our lives. In part it reduces some of the hardship caused by the reductions to EI introduced by the Liberals in 1996. In addition, the new Act alters the provisions for maternity leave. A brief outline of the changes is set out below:

CLAWBACK

Clawback rules force those with higher incomes to repay the EI benefits they have received when they file their tax returns. The amendments raise the net income level where the clawback starts from \$39,000 to \$48,750. People earning more than this amount will have to repay 30 per cent of the excess.

MATERNITY LEAVE

The combined duration of employment insurance, maternity, parental and sick leave, including the standard two-week waiting period, will increase from six months to one year. This will be done by increasing the number of weeks of parental leave by 25 weeks, from 10 to 35 weeks.

The changed sick, maternity and parental benefits will now be referred to as "special benefits," effective December 31, 2000. The prerequisite required to be eligible for these benefits will be lowered to 600 insurable work hours from 700.

The current provisions will be applicable up to December 31, 2000 for parents who adopted a child, whose child was born, or to a claimant who became ill prior to that date. Premier Ujjal Dosanjh has formally asked the federal government to backdate the benefits to the date of announcement in order not to disenfranchise those who will just miss the December 31, 2000 deadline. The federal government has denied this request and the deadline will be rigidly applied.

Clause 4(1) of the Employment Insurance Act will be amended to allow parents to work part-time while receiving parental benefits ... up to 25 per cent of their weekly entitlement or \$50, whichever is greater. There will be greater flexibility with respect to how parents divide their leave.

If you have any questions about the new benefits or your eligibility for employment insurance, contact your local federal employment insurance office for clarification.

Sarah O'Leary is legal counsel for HSA.

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180 East Columbia
New Westminster, BC V3L 0G7

Website
www.hsabc.org

Telephone 604-517-0994
1-800-663-2017