

Federal Government Announces Expanded Eligibility Rules for the Canada Emergency Response Benefit

Date : April 22, 2020

Since the initial launch of the Canada Emergency Response Benefit (or “CERB”) on March 25, 2020, it became increasingly clear that there were significant gaps in coverage within the existing program. For example, workers whose hours were significantly reduced but who were still earning some income or workers who lost one but not all of their part-time jobs were initially not eligible for the CERB. On April 15th, in an effort to fill those gaps and to extend support to people who were still working but seeing a significant financial loss, and to those working in the gig economy, the Canadian government announced expanded eligibility rules for the CERB.

The CERB continues to apply to Canadians who have lost their job, are sick, quarantined, or unable to work because they are taking care of someone who is sick with COVID-19, as well as working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures. It also continues to apply to wage earners, contract workers and self-employed individuals who would not otherwise be eligible for EI and who are unable to work due to COVID-19. However, the expanded eligibility, which will apply retroactively to March 15th, will allow the following additional categories of workers to qualify for the CERB:

- People earning up to \$1,000.00 per month while collecting the CERB;
- Seasonal workers who have exhausted their EI regular benefits but are unable to undertake their usual seasonal work as a result of the COVID-19 outbreak; and
- Workers who have exhausted their EI regular benefits but are unable to find a job or return to work as a result of the COVID-19 outbreak.

It is important to note that as it relates to workers earning up to \$1,000 per month while in receipt of the CERB, to be eligible the worker cannot have earned more than \$1,000 in employment and/or self-employment income for a period of at least 14 consecutive days within the 4-week benefit period of their initial claim. For subsequent claims, the worker cannot earn more than \$1,000 in employment and/or self-employment income for the entire 4-week period of the claim.

For the purposes of the CERB, employment and/or self-employment income will include all tips, non-eligible dividends, honoraria and royalties, but will exclude pensions, student loans and bursaries. Applications will be verified against tax records to confirm income, though this information is not required at the outset in order to submit the application itself.

Along with the announcement regarding the expanded eligibility rules for the CERB, Prime Minister Trudeau also announced that the Canadian government would be working with the provinces and territories to establish additional support for workers in essential jobs who currently make less than

they would if they qualified for the CERB. Though the details of the program remain to be confirmed, it is expected that this support will be provided in the form of a new transfer to cost-share a temporary top-up on the salaries of workers deemed essential in the fight against COVID-19 who make less than \$2,500 per month.

In Our View

Given the speed and urgency with which the Canadian government was required to develop and implement its COVID-19 economic response plan, it is to be expected that changes may need to be made in order to address new or emerging issues, including as it relates to the CERB. Emond Harnden LLP will continue to monitor relevant information as it becomes available, including with respect to the government's COVID-19 economic response plan and the CERB.

For further information or advice on your rights and obligations as an employer when dealing with COVID-19 and similar issues, please contact [Erica Bennett](mailto:Erica.Bennett@ehllp.com) at [613-940-2748](tel:613-940-2748), [Colleen Dunlop](mailto:Colleen.Dunlop@ehllp.com) at [613-940-2734](tel:613-940-2734), [Kecia Podetz](mailto:Kecia.Podetz@ehllp.com) at [613-940-2752](tel:613-940-2752), [Steven Williams](mailto:Steven.Williams@ehllp.com) at [613-940-2737](tel:613-940-2737) or [Lauren Jamieson](mailto:Lauren.Jamieson@ehllp.com) at [613-563-7660](tel:613-563-7660) ext. 236.