CERB and EI changes: What employers and workers need to know

August 31, 2020

On August 20, 2020, the federal government announced its transition from the Canada Emergency Response Benefit (CERB) to a simplified Employment Insurance (EI) program to provide income support to those unable to work due to COVID-19.

In addition to simplifying access to EI, the government will introduce three new temporary recovery benefits: the Canada Recovery Sickness Benefit, the Canada Recovery Caregiving Benefit and the Canada Recovery Benefit.

Subject to parliamentary approval, these programs will be effective starting September 27 and available for one year.

Canada Recovery Sickness Benefit

The Canada Recovery Sickness Benefit will provide $500 per week for up to two weeks to workers who are unable to work because they are sick or must self-isolate due to COVID-19. Workers cannot claim this benefit and receive other paid sick leave for the same benefit period.

What are the eligibility criteria?

The benefit will be available to residents of Canada who are at least 15 years old, have a valid Social Insurance Number, and:

- are employed or self-employed at the time of the application;
- earned at least $5,000 in 2019 or in 2020; and
- missed minimum 60 per cent of their scheduled work in the week for which they claim the benefit.

A medical certificate is not required to qualify for the benefit.

Canada Recovery Caregiving Benefit

The Canada Recovery Caregiving Benefit will provide $500 per week, for up to 26 weeks per household, to eligible Canadians who need to care for or support children or other dependents. Workers entitled to paid leave through their employers are not eligible to receive this benefit for the same leave period.

What are the eligibility criteria?

The benefit is for residents of Canada who are at least 15 years old, have a valid Social Insurance Number, and:

- are employed or self-employed on the day immediately preceding the period for which the application is made;
- have earned at least $5,000 in 2019 or 2020;
- have been unable to work for at least 60 per cent of their normally scheduled work within a given week because they must take care of a child under 12 years of age (on the first day of the period for which the benefit is claimed) or provide care to a family member with a disability or a dependent:
    - because their school or daycare, or their day program or care facility, is closed or operating under an alternative schedule for reasons related to COVID-19;
    - who cannot attend their school or daycare, or their day program or care facility, under the advice of a medical professional due to being at high risk if they contract COVID-19; or
    - because the caregiver who usually provides care is not available for reasons related to COVID-19;
- not be on paid leave in the same week; and
- not receive CERB, the EI Emergency Response Benefit, the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, short-term disability benefits, workers' compensation benefits, or any EI benefits or Québec Parental Insurance Plan benefits in the same week.

Canada Recovery Benefit

Workers who are not eligible for EI, including the self-employed and those working in the gig economy, will be eligible for $400 per week for up to 26 weeks. This benefit will be subject to stricter conditions than the CERB program.

Modifications to Employment Insurance

As the federal government transitions from CERB to a simplified EI program, a number of measures will increase access to EI, including crediting EI claimants with a one-time insurable hours' credit to help them qualify.

The government will also use a minimum unemployment rate of 13.1 per cent for all EI economic regions in order to lower the hours required to qualify for EI regular benefits. As such, employees with at least 120 insurable hours will be eligible for EI benefits at a minimum rate of $400 per week, for at least 26 weeks, subject to certain conditions.

EI premium rate freeze

The federal government is freezing EI premium rates for two years at 2020 levels:

- Employer Rate: $2.21 per $100 of insurable earnings;
- Employee Rate: $1.58 per $100 of insurable earnings.

Main takeaways for employers

In light of the introduction of the Canada Recovery Sickness Benefit and the Canada Recovery Caregiving Benefit, employers should consider preparing to integrate such benefits, whether formally or informally, in their leave policies. As noted above, these programs will be effective as of Sept. 27, 2020, subject to parliamentary approval, and available for one year.

If you have questions about how these changes may affect your business, please reach out to any of the key contacts listed below.

By

Patrick Trent

Expertise

Labour & Employment

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary
Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa
World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver
1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal
1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.