



# Reuter Insight

January 2011

## Federal Government Increases EI

We would like to advise you that the federal government recently announced an increase to the employment insurance (EI) maximum insurable earnings amount and a corresponding increase in the maximum weekly EI benefit effective January 1, 2011 as follows:

- Maximum insurable earnings will increase from \$43,200 to \$44,200 per year.
- The maximum weekly EI benefit amount will rise from \$457 to \$468.

If your group benefit program includes short-term disability coverage, the impact of this change depends on the short-term disability or weekly indemnity benefit amount that appears in your contract.

For example:

- Short-term disability (STD) plans that have a maximum that is higher than the new maximum weekly EI benefit amount are not impacted by this change
- Short-term disability (STD) plans that have a maximum set at the EI maximum, rather than a specific amount, will automatically increase effective January 1st. Your February billing statement should reflect the increases in Short Term Disability volume for applicable members.
- Short-term disability (STD) plans that have a maximum less than \$468 will no longer be eligible for the Employment Insurance (EI) Premium Reduction Program. In order for your plan to remain eligible for this program, you may wish to consider amending your plan to a maximum that is automatically adjusted to the EI maximum. This will avoid the need for future amendments whenever the EI maximum changes.