

How does the Canada Emergency Response Benefit (CERB) impact STD and LTD payments?

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It is our understanding that employees receiving STD or LTD benefits from either an Insurer or a Self-Funded STD plan are not eligible to receive the CERB. The Insurers or HRS won't offset CERB benefits from either STD or LTD payments. If it is learned that an employee approved for STD or LTD benefits has received CERB benefits, the employee will be advised to notify the government of their entitlement to benefits through their benefits plan. We understand the government will require repayment of CERB benefits if an individual received payment but was not eligible.

How are claims impacted by the Canada Emergency Wage Subsidy (CEWS)?

The CEWS benefit is payable to the employer, not to the employee. If the employer receives this benefit, they continue to pay their employee wages/income (the employers are expected to make their best effort to top up employee salaries to the pre-COVID-19 levels), and the employee continues to receive their income regardless of whether or not they are actually performing work for the employer. The employee does not get laid off.

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The intent of the CEWS program is to promote continuation of employment for as many employees as possible, which includes providing regular income and benefits.

- If the employer continues benefit coverage and premiums are paid, the Insurer or HRS will consider the employees to be insured and will adjudicate claims accordingly.
- If the employee continued working their regular hours while receiving income that was supplemented by the CEWS, claims will be managed in keeping with regular handling. Benefits will be assessed against the employee's ability to perform their regular job demands at work, pre-COVID-19. Benefits will be paid based on their pre-COVID-19 income level. Benefits will start once the waiting period was satisfied.
- If the employee was working reduced hours, while receiving income that was supplemented by the CEWS, the employee will be considered to be actively at work and benefits will start once the waiting period was satisfied. Claims will be adjudicated as if the employee were still at their regular hours. Benefits are assessed against the employee's ability to perform their regular job demands at work, pre-COVID-19.
- If the employee was not working at all, while receiving income that was supplemented by the CEWS, the employee will be considered to be actively at work and benefits will start once the waiting period was satisfied. The claims will be adjudicated as if the employee was working their regular hours. Benefits will be assessed against the employee's ability to perform their regular job demands at work, pre-COVID-19.

Should you have any questions or concerns as to how STD or LTD claims will be handled during this COVID-19 time period, please reach out to Luene La Fontaine: luene@healthrisk.ca