



KECHNIE BENEFITS



To: PAOC District Leadership Partners, Plan Administrators, Treasurers, Bookkeepers  
From: Jeff Kechnie, President - Kechnie Benefits  
Date: March 20, 2020  
Re: COVID-19 Update / Reminder for your PAOC Group Benefits Program

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Greetings All,

The Kechnie Benefits team remains in-office to serve in these challenging times.

The COVID-19 Pandemic is affecting everyone on a global basis. There is broad concern on how Employers are able to support and protect both their Employees, Organizations, and Business. We offer this information to assist as it pertains to your **PAOC Group Benefits** program.

***Note: in respect of the information below each Province may differ slightly in their requirements, provisions, and rules.***

#### **OUT OF COUNTRY TRAVEL INSURANCE**

Out of Country Emergency Medical Insurance and Trip Cancellation offered by Insurance Carriers are limited by travel advisories. On March 9<sup>th</sup>, 2020 the Government of Canada issued an Advisory for Cruise Ship Travel. On March 13, 2020 the Government of Canada announced a travel advisory for "all non-essential travel" outside of Canada due to COVID-19. As a result, Out of Country emergency medical coverage is limited to 10 days from the date of the formal travel advisory notice, or to a period that is reasonably necessary to safely evacuate the country, region or area. **IN SHORT, THE 10 day PERIOD ENDS ON MARCH 23<sup>rd</sup>!**

Although we have not heard of any countries prohibiting Canadians from coming home yet, if air traffic is non-existent and an insured member cannot get home, the carrier may grant

extension of coverage to the maximum trip duration, or beyond where necessary. It is most important to contact Global Excel as soon as possible to advise them of your situation. Telephone information is on the back of the Group Travel card or call collect from any country +819-566-1898.

**REGISTER** – for those who you know are currently outside of Canada or choose to travel outside Canada, the Government of Canada recommends that all travelers [register](#) so they can be provided with updates if issues arise.

We strongly urge you relay this information to all employees travelling or considering travelling in the next few weeks.

#### **EMPLOYMENT INSURANCE (EI) SICK BENEFITS**

Regular EI Sick Benefits are intended as financial support for Employees who have no, or limited paid-leave benefits through their employer, and losing up to 40-50% of their usual weekly pay. The regular EI Benefit payment is up to 55% of weekly earnings (taxable) to a maximum of \$573 a week. Their standard is as 16 week program: 1 week waiting period, benefit payable for a maximum of 15 weeks.

The Canadian Government in response to the COVID-19 Pandemic has asked that Employers allow Employees to work from home wherever possible. If doing so and continuing to receive salary, they **do not** qualify for EI Sick Leave Benefits.

#### **COVID19 - Self-Isolation, Quarantine, and Sick Leave**

The Government of Canada has removed the one week waiting period for EI Sick Benefits and extended it to include the 14 Day Self-Isolation for the COVID-19 Virus. This is available to all Employees who are paying into EI whether they have symptoms of COVID-19 or are required to self-quarantine having returned from travel or known to have been in contact with someone

who was symptomatic with the virus. Here is what to anticipate:

- **Self-Isolation** – no medical certificate is required, the one week waiting period is waived and EI benefits can be received for the 14-day quarantine.
- **Quarantine** - If a person tests positive for COVID-19 while in quarantine, a signed medical certificate confirming the diagnosis would be required to continue receiving Sick Leave EI Benefits beyond the initial isolation period.

#### **PAOC Registered EI Supplemental Top Up Program**

In lieu of an insured Short Term Disability Benefit, which would have a significant increase impact on premium, the PAOC program offers EI Sub Top Up funded from District Reserves. The Registered EI Supplemental Top Up program co-ordinates with EI Sick Leave Benefits topping up EI payments to 85% of weekly taxable salary, for eligible Employees participating in the benefit program.

To ensure sustainability the funds will be reserved for employees who are diagnosed with the COVID-19 virus, either before or during Self-Isolation and find themselves unable to return to work after the 14 days. EI Sub Top Up payments are for a maximum of 15 weeks.

#### **How to apply for EI Sick Benefits for COVID-19**

It is the same process to register for EI Sick Benefits, whether it is an unpaid leave for Self-Isolation or a Sick Leave (medical note required).

- **EMPLOYEE** - The first step is for the employee to apply for EI Sick Benefits by completing the Employment Insurance Application. They can do so online at [here](#) and select 'Employment Insurance' option. **Once completed Service Canada has a COVID-**

**19 hot line for the member to call and request the one week waiting period be waived. Toll-Free 1-833-381-2725.** This information is also available on their website under the above mentioned Employment Insurance option.

- **EMPLOYER** - completes a ROE, either online for Service Canada or by paper found [here](#).
- Inform Kechnie Benefits ([benefits@kechnie.com](mailto:benefits@kechnie.com)), and provide us with a copy of the ROE to confirm eligible earnings.
- In Box 17C on the ROE indicate "SUB". Although as noted above, a 14 Day Self-Isolation will not qualify for Sub Top Up Payments from the District, it is often difficult to amend a ROE after it has been registered. If an employee becomes ill with the COVID-19 virus during the 14 days, it would change their eligibility for the EI Top Up program.
- Employers may be able to "piggy back" on our registration for those who wish to take it upon themselves to Top Up EI Sick Benefits for Employees in Self-Isolation (14 days). Keep in mind that income you pay to them in addition to the EI Benefit does not exceed 95% of their salary, or it might create a claw back on the base amount of the Benefit. Note: we are trying to gain further clarity from Service Canada on this issue.
- If the employee remains on sick leave due to the illness (using qualified Dr.'s Note), notify Kechnie Benefits and send a copy of the medical certificate provided to Service Canada. This will initiate the EI Top Up payments retro to the 2<sup>nd</sup> week of leave.

### **Long Term Disability Benefits (LTD)**

For serious illnesses that develop from the COVID-19 virus, the insured LTD Benefit would have a 112 Days Elimination period from date of diagnosis, and provisions would be as follows:

- **CORE CLASSES** – 60% of monthly earnings up to a maximum benefit of \$6,000 payable to Age 65

- CORE PLUS CLASSES – 67% of the first \$3,000 monthly earnings; 55% of the balance up to a maximum benefit of \$6,000 payable to Age 65 for all Full-Time Employees. Maximum 5 Years payable for employees enrolled under Part Time Class C.

### **Temporary Lay-Offs – Continuation of Benefits Provision**

Where there becomes a need to lay-off employees to help mitigate economic hardship for the Employer - if temporary layoff is considered - we encourage you to take careful review to your **Provincial Employee Standards Act**, and any Government initiatives to mitigate the impact on financial loss to the employer and their employees. Failing this, it is our limited understanding that employers are not required by statute to continue Benefits or Pension Plan contributions during temporary layoffs. That being said, many employers are trying to maintain at least these things as the EI Unemployment Benefits are limited.

Extension of Benefits under the PAOC Group Insurance Contract allows for participants' insurance (including LTD) to be kept in force for a period not exceeding **3 months**, providing that:

- You notify Kechnie Benefits within 30 days of the beginning of the temporary lay-off, and request that the insurance be kept in force.
- All premiums continue to be paid.
- If, while on Temporary Lay-Off with benefits in force, the employee becomes sick / disabled they would still be eligible to claim for LTD, and the 112 days elimination period starts as of the date of illness.

For Temporary Lay-offs, be sure to advise Kechnie Benefits when the employee returns to work, so benefits are not automatically terminated after the 3 month maximum extension period.

### **General - Employment Terminations With Extension of Benefits**

The process to include extension of Group Benefits for a period of time as part of a good will gesture or a severance package differs. All benefits with the exception of LTD can be extended, but needs prior approval from the insurance carrier. Advise Kechnie Benefits in advance of the termination, and included the following details: the employee's last date of work, and the benefits continuation offer. A standard extension is 6 month or less.

We hope you find this helpful information as you consider options moving forward, and care for your teams. Any questions do not hesitate to call our office at 1-866-710-7080 or email [benefits@kechnie.com](mailto:benefits@kechnie.com).

Respectfully,

The Kechnie Benefits Team

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