# Worker Retention Grant Handout

**March 2026**

## What is the Worker Retention Grant?

The new Worker Retention Grant (the Grant) is a temporary tariff response measure that helps Work-Sharing employers retain workers and support skills development during temporary slowdowns beyond a business' control. For employees who are part of a Work-Sharing unit under a Work-Sharing agreement, in receipt of Employment Insurance (EI) Work-Sharing benefits, and who also agree to take part in employer-offered training, the Grant helps maintain their income by keeping their earnings closer to their normal wages throughout the duration of the Work-Sharing agreement. The Grant will help strengthen workforce resilience, support upskilling, and maintain employee engagement during periods of business disruption and adjustment.

## Who is eligible for the Worker Retention Grant?

The Grant is available to employers from all sectors and all sizes who have an approved and implemented Work-Sharing agreement. Employers must commit through the Grant's application form to offering eligible employees training opportunities for at least 40% of the agreement duration (e.g., 15 weeks in a 38-week agreement).

Employees eligible to receive an income top-up from employers using Grant funds must be in receipt of EI Work-Sharing benefits, actively participating in Work-Sharing (i.e., part of a Work-Sharing unit and working reduced hours), and taking part in the employer-offered training. This top-up support will help these workers keep their income closer to their normal wages while they participate in training and skills development opportunities. The Grant aims to boost their income while on Work-Sharing, increasing their income replacement rate from 55% to about 70%, taking into consideration their continued wages from employment, EI Work-Sharing benefits, and the top-up.

## How to apply for the Worker Retention Grant?

If you are an employer with an approved and implemented Work-Sharing agreement, you can apply now for the Grant which launched on February 17, 2026.

If you are an employer not yet participating in Work-Sharing, you must first apply to the Work-Sharing Program[1]. If your agreement is approved, your Work-Sharing unit(s) are established, and employees have active EI Work-Sharing claims, you will be able to apply for the Worker Retention Grant.

## What training is eligible under the Worker Retention Grant?

[1] Refer to this webpage for information on how to apply for Work-Sharing: Work-Sharing Program - How to apply - Canada.ca

The Worker Retention Grant takes a flexible approach to defining eligible training offerings. Employers can choose training most relevant to their business, including those related to business recovery and worker retention (upskilling/re-skilling).

Training must take place during non-work hours and may be delivered online or in person, through facilitator-led sessions, employer-led instruction, or peer-to-peer learning.

Eligible training can include, for example:

- skills specific to the employer's operations;
- foundational skills such as digital literacy, workplace safety, language training, problem-solving, or numeracy;
- informal learning such as on-the-job coaching or structured knowledge-sharing; and,
- skills development that supports the growth of the sector and expansion into new markets.

Employers are encouraged to work with employees, unions, and provincial or territorial representatives to identify appropriate training. Low- and no-cost training options are available through Job Bank's new Training Finder platform.

**Note**: The Grant does not cover the cost of developing or delivering training. Employers may self-fund training or explore supports available through Labour Market Development Agreements (LMDAs) [2] and other provincial/territorial programs.

## How is the Grant Amount Calculated?

The total Grant amount an employer may receive depends on several factors, including the number of eligible employees in the Work-Sharing unit, their wages, the Work-Sharing reduction in hours, and the length of the Grant agreement. Funding is limited to covering the income top-up paid to EI-eligible employees.

## Deadline to Apply

Funding is available until March 31, 2027. However, to allow for processing and validation timelines, applicants **must apply before December 31, 2026**.

## For more information

Learn more about the Worker Retention Grant and the Work-Sharing Program by visiting: the Worker Retention Grant and Work-Sharing Program webpages.

Additional funding opportunities are available at: Funding programs and grants for jobs, training, and social development projects - Canada.ca

[2] More information on LMDA's can be found here: Labour Market Development Agreements - Canada.ca

For general questions about Work-Sharing Employment Insurance benefits and payments, employees can call the Employment Insurance Call Centre.

**Call Toll-Free:** 1-800-206-7218

**TTY:** 1-800-529-3742

**Visit** - your local Service Canada Centre