

EMPLOYMENT INSURANCE

Employment Insurance and “Small Weeks” of work

On September 7, 2003, the Government of Canada increased the small weeks threshold to \$225 from \$150 to encourage more individuals to accept weeks of work with lower-than-average earnings.

When calculating Employment Insurance (EI) benefits, all weeks of work in the 26 weeks preceding the last paid employment day are taken into consideration. These weeks can be regular weeks (earnings of \$225 or more) or small weeks (earnings less than \$225).

Terminology:

To help you understand the terminology used and the example given, here are some definitions of terms that are used.

Rate calculation period: The 26 weeks preceding the last day of paid employment prior to the commencement of the benefit period.

Minimum divisor. To determine your average weekly insured earnings, which are needed to calculate your EI benefit,

we divide the total earnings in the rate calculation period by either the minimum divisor or the actual number of regular weeks with work – whichever is higher. The minimum divisor ranges from 14 to 22 based on the rate of unemployment in your region (see Divisor table).

Small Weeks: A combination of regular weeks and small weeks can lower the benefit rate on the next claim. As a consequence, workers may be reluctant to accept small weeks of work. This is why the flexibility in calculating small weeks of work was introduced as a permanent feature of EI in 2001. Now, in the benefit rate calculation, Human Resources Development Canada takes the regular weeks of work but does not count weekly earnings of less than \$225 unless those weeks are required to meet the minimum divisor. Increasing the small weeks threshold to \$225 gives more flexibility in calculating EI benefits, without lowering the benefit rate on future claims.



Example

In a region where the minimum divisor is 14, an individual has accumulated 12 regular weeks of work at \$400, 13 small weeks at \$175 and one small week at \$220.

The average weekly earnings will be calculated as follows:

All regular weeks of earnings	12 weeks x \$400	= \$4,800
Plus the two best small weeks for a total of	\$175 and \$220	= \$395
		\$5,195
The total is divided by the minimum divisor (14) and	\$5,195 ÷ 14	= \$371
multiplied by 55%	\$371 x 55%	= \$204

The weekly benefit is **\$204.00**

(Using the previous small weeks threshold of \$150, the benefit rate would have been \$154 in this example because none of the weeks would have been considered small weeks.)

Important to remember

- All insurable hours will still be used for eligibility purposes, even if they are not used to calculate your benefit rate.
- You must continue to report all earnings in the weeks you earn them.
- Earnings allowed while on claim are \$50 per week or 25 percent of your weekly benefit rate, whichever is higher.
- Employers must continue to remit EI premiums on every dollar paid and complete Records of Employment.

Divisor table

Unemployment rate in your region	Minimum divisor
0% to 6%	22
6.1% to 7%	21
7.1% to 8%	20
8.1% to 9%	19
9.1% to 10%	18
10.1% to 11%	17
11.1% to 12%	16
12.1% to 13%	15
13.1% and over	14

Proof of small weeks

You may be required to provide proof of your small weeks of work. Acceptable proof of small weeks is as follows:

- Record of Employment (ROE) detailing pay period amounts;
- your personal work record (a calendar, for example);
- statutory declaration from claimant, supported by satisfactory information.

For more information, call Human Resources Development Canada, Employment (HRDC), Employment Insurance enquiries listed in the Government of Canada section of your local phone book, or visit the HRDC website at www.hrdc-drhc.gc.ca/ei