



MONKHOUSE LAW
 Employment Lawyers

**COVID -19- Canadian Alternatives to Layoffs Without Pay: Supplementary
 Unemployment Benefit and Work Sharing**

	Supplementary Unemployment Benefit (SUB)	Work Sharing
Does the employee need to work at all?	No	Yes, but with at least a 10% reduction and maximum a 60% reduction in hours.
Must all employees have their hours reduced by the same percentage?	No	Yes
Is it available if the business is completely closed?	Yes	No
Which employees are eligible?	Any	Employees in a Work Sharing Unit (WSU) who do similar work, who all agree to the same percentage reduction in their hours.
What it does	Employees get up to 55% of pay replaced by regular government Employment Insurance (EI). Employer can top up this up so that the employee gets 95% (subject to salary limits).	Employees work part time while receiving EI benefits corresponding to the lost hours. Employees in a WSU all agree to work reduced hours. Reductions of up to 60% of normal hours are covered by the program.
Cost to the employer	The employer pays the full amount of the top up that it decides to pay.	Employer must continue to provide all fringe benefits, and at least 40% of regular salary (for workers who have had the maximum 60% reduction in

		hours).
What does the government provide?	The only concession by the government is that it does not cut back the regular EI payment, and EI premiums are not charged on the payments by the employer.	The government pays the employees 55% of the reduction in the salary they have lost due to the reduced hours (subject to a salary cap).
Main drawback	Substantial cost to the employer, paying up to 40% of wage of employees who are not working.	Needs to be feasible to reduce the hours of each employee in the work group by the same percentage. Employees must work and be paid for at least 40% of their regular hours.
Main advantage to the employer	Promotes employee goodwill. Reduces risk of claims for damages for constructive dismissal due to a common law layoff.	Allows large reduction in the payroll at little cost to the employer, while preserving employee engagement in anticipation of a normal return to business.
How to apply	https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/supplemental-unemployment-benefit/registration.html	https://www.canada.ca/en/employment-social-development/services/work-sharing/apply.html
Full details at government website	https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-employers-supplemental-unemployment-benefit.html	https://www.canada.ca/en/employment-social-development/services/work-sharing.html

About the Author: Alexandra Monkhouse is a partner and a lawyer at Monkhouse Law. Alexandra practices employment law, and general litigation with a focus on major claims and class actions. She is trained in conducting mediations and has been appointed by the government of Ontario to be on the roster of Toronto mediators for mandatory mediation. Alexandra has appeared at the Ontario Superior Court of Justice and before the Supreme Court of Canada numerous times. She also practices in French and Romanian.