

## EI BENEFITS FOR THE SELF-EMPLOYED

Beginning in January 2011, new federal legislation will permit Employment Insurance (EI) special benefits for those qualified self-employed workers who opt into the program after January 2010. EI special benefits include *maternity and parental benefits, sickness benefits and compassionate care benefits*. This new legislation does not entitle self-employed individuals to *regular EI benefits*.

*Qualified individuals* are those who either declare self-employed earnings on their personal income tax return or are employees of a corporation who are presently excluded from EI insurance because they control more than 40% of its voting shares.

In order to participate, qualified individuals must enter into an agreement with the Canada Employment Insurance Commission ("the Commission") through *Service Canada (contact information below)*. They must opt into the program at least one year prior to claiming any EI special benefits and earn a minimum of \$6,000 in net self-employment earnings during the preceding year. They must begin to make EI premium payments in the tax year in which they opt into the program. The EI premium rates are the same as for salaried employees; however qualified individuals would not be required to pay the employer portion of the premium (as they would not have access to regular EI benefits). Premiums would be paid through the filing of personal income tax returns.

Qualified individuals may sign up for the plan beginning January 31, 2010. Those who have registered by April 1, 2010 will be able to apply for EI special benefits as early as January 1, 2011 due to a special start-up measure. Those registering after April 1, 2010 will have to wait a full 12 months from the date of their agreement before making a claim.

Qualified individuals will have 60 days to reconsider their decision. If they choose to withdraw from the program within this grace period they will not have to pay any premiums. Following the grace period, they must participate and pay EI premiums unless they choose to terminate their registration. There is no minimum period for which they must participate, however their participation ends on December 31<sup>st</sup> of the year that they terminate the agreement. This means that once they pass the 60 day grace period, they will be required to pay EI premiums in the first year even if they terminate their agreement before the end of the year.

Note, however, they may only terminate their agreement if they have never received EI special benefits as a qualified individual. In other words, once qualified workers have accessed EI special benefits they would be required to continue paying premiums for as long as they are considered qualified individuals.

If you qualify and choose to register, you must do so online using *My Service Canada Account*. More information including registration instructions is available at *Service Canada* ([www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) or 1-800-206-7218) or by calling our office at 613-831-3042. We would be pleased to answer your questions on this important new initiative.