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Employment Insurance (EI) Work-Sharing Program

Updated Novemer 2026

In response to U.S. tariffs, and the threat they pose to Canadian jobs, the Federal Government announced temporary special measures to the Work-Sharing Program that were originally in place from March 7, 2025, to March 6, 2026 and have now been extended to **March 31, 2028.**

Work-Sharing is a federal program funded by Employment Insurance (EI) that assists employers and workers to avoid temporary layoffs when there is an unusual slowdown in production or service.

Under the temporary special measures, employer eligibility is expanded to include:

- Businesses that have been in operation in Canada for at least one year;
- Not-for-profit and charitable organizations;
- Cyclical or seasonal employers; and
- Employers experiencing any level of decrease in work activities (or revenue for non-profits and charitable organizations) as a direct or indirect result of tariffs.

Employers will not have to report on their plan to return to normal business, rather requirements are being simplified to focus on maintaining business viability in the face of tariffs.

Employee eligibility is expanded to include:

- Workers who are not year-round, permanent, full-time, or part-time employees, specifically seasonal or cyclical employees; and
- Employees assisting in the employer's recovery efforts.

What is Work-Sharing?

Work-Sharing is a federal Human Resources & Skills Development Canada (Service Canada) program funded by Employment Insurance (EI). The goal is to assist employers and workers to avoid temporary layoffs when there is an unusual slowdown in production or service.

EI only considers joint Work-Sharing applications signed by both the employer and union. Most collective agreements do not have language on Work-Sharing and therefore will need to be negotiated.

During Work-Sharing, the available work is redistributed through a reduction in hours worked by all employees within one or more work units. The reduction must be between 10% and 60% of normal weekly hours. Eligible workers receive EI Work-Sharing Benefits during their time off.

Example:

Example: $25 an hour job and 4-day EI Work-Sharing

- **Normal Week:** $25 x 40 hours = normal pay $1,000
- **Work-Sharing Week of 4 days:**
  - **Employer pays $800** ($25 x 32 hours)
  - **EI pays $110** ($200 lost day's wages x 55% EI rate, up to daily EI maximum)

= **$910 for Work-Sharing week** (example only; varies by individual)

Why consider Work-Sharing?

Work-Sharing provides many advantages to workers in the event of work slowdowns.

1. Everyone continues to work and get paid - including young workers or those lower on the seniority list.
2. No loss of benefits.
3. EI helps to supplement the loss in pay.
4. EI entitlements are protected, and workers continue to accrue eligibility hours for any future claim (parental leave, layoff etc.)
5. Work-Sharing does not require permanent job changes like part-time classification, it is a temporary agreement requiring the union's consent.

How much are EI Work-Sharing benefits?

Work-Sharing benefits are paid for each shift off while part of the Program. The process is as follows:

- Those who are eligible for EI (or become eligible during Work-Sharing) fill out a special short form application.
- The usual 1-week EI waiting period is deferred so benefits are paid from the first week onward Work-Sharing.
- The Work-Sharing benefit is 55% of normal earnings, capped at the EI maximum ($695 per week or $139 per day in 2025).
- Those with 2025 net taxable income over $82,125 will be required to re-pay 30% of EI benefits at tax time (not applicable if collecting EI for the first time in 10 years).

Does Work-Sharing effect other EI entitlements?

No. A worker is still eligible for a normal EI benefit period on the same claim if the worker is laid off or takes maternity, parental or sick leave after Work-Sharing. The weeks on Work-Sharing do not reduce the normal duration of that claim and the benefit rate is the same. During Work-Sharing, workers are also accruing hours for a future EI claim.

How long does a Work-Sharing Agreement last?

Work-Sharing normally runs for 6 to 26 weeks with a possible 12-week extension if the company and union jointly apply, and Service Canada approves it (creating a maximum of 38 weeks).

During the Work-Sharing special temporary measures period, the maximum duration will be extended from the 38 weeks up to 76 weeks. The Government of Canada announced in March 2026 that these temporary Work-Sharing measures will continue beyond their original end date to March 31, 2027 to help workers and employers affected by tariff-related disruptions.

What is the mandatory cooling off period?

During the Work-Sharing special temporary measures period, the mandatory cooling-off period is being waived.

Under normal EI Work-Sharing rules, a mandatory cooling-off period must be served once the agreement has ended or has been terminated, where the employer cannot re-enter a Work-Sharing agreement with the same employees for a period of time. The duration of the cooling-off period will be equal to the number of weeks utilized in the previous agreement (up to a maximum of 38 weeks).

What if I'm offered other work during Work-Sharing?

If the earnings received are less than the Earning Threshold (i.e. 90% of the Weekly Insurable Earnings [WIE] used to calculate the Employment Insurance claim), 50% of the earnings will be deducted from any Work-Sharing benefits payable.

If the earnings received are more than the Earning Threshold but less than the WIE, 50% of the earnings up to the Earning Threshold will be deducted as well as 100% of the earnings over the Earning Threshold.

What about paid holidays?

Paid holidays, including statutory holidays, are not compensated by EI Work-Sharing. The company continues to pay them. If a paid holiday falls during a Work-Sharing week, it doesn't count towards the work reduction so it must be made up otherwise (e.g. another day off that week).

How can the union and employer communicate during Work-Sharing?

Management and the union should establish a Work-Sharing Committee to meet and discuss difficulties, new developments, and to oversee implementation. The union, employer, or government can withdraw from Work-Sharing with reasonable notice. EI will consider program amendments if both the company and union are agreeable.

Can I get more information about Work-Sharing or The Workforce Retention and Retraining Program (WRRP)?

Yes. Visit: *https://www.canada.ca/en/employment-social-development/services/work-sharing.html*

Please note that the Government of Canada has announced a new funding program: The Worker Retention Grant for Work-Sharing Employers (WRG). The WRG is designed to enable employers with an approved and implemented Work-Sharing agreement who commit to fostering training opportunities to provide additional income support to their Employment Insurance (EI) eligible employees who are working reduced hours and are on training. This Grant helps maintain employees' income by keeping their earnings closer to their normal wages throughout the duration of the Work-Sharing agreement.

Application period: February 16, 2026, to December 31, 2026, at 3 pm EST

The government has recently extended the Work-Sharing special measures until **March 31, 2028** under the new Workforce Retention and Retraining Program (WRRP) with enhanced flexibilities including:

- **Longer agreements**, with a maximum duration of up to **152 weeks**.
- **Expanded employer eligibility** for organizations experiencing a business challenge, opportunity, market change, or transformation initiative that requires organizational adaptation.
- **Greater flexibility in work-sharing arrangements,** allowing hours to be shared in different proportions among employees to better meet operational needs.

The Retraining Grant continues to provide income support for participating employees during approved training activities, while also providing funding to help employers develop and deliver training that supports workforce retention. There is up to **$1,000 per participant** to support training and administrative costs related to project activities for training that helps employees develop new skills and businesses adapt to changing operational needs. For more information visit: *https://www.canada.ca/en/employment-social-development/services/work-sharing.html*