**SAMPLE LANGUAGE**Letter of Understanding

# **Establishing a Supplemental Unemployment Benefit (SUB) Program & other Income Top Ups**

Within (7) days of ratification, the Employer shall register a Supplemental Unemployment Benefit (SUB) Program, with the appropriate government agency.

The Employer shall also establish an income supplement for those employees in receipt of maternity, parental (including adoption) or caregiving benefits.

***Note to Local Union Committees****: If there is agreement between the union and employer on establishing a Supplemental Unemployment Benefit Program, additional support and resources are available, through the Unifor Pensions & Benefits Department (*[*pensionsandbenefits@unifor.org*](mailto:pensionsandbenefits@unifor.org)*)*

**SAMPLE LANGUAGE**Article XX.X

# **Income supplement during layoff, training, illness and injury**

X.1 The Supplemental Unemployment Benefit (SUB) Program shall apply to all eligible employees, with one year of service, covered under this Collective Agreement.

X.2 The SUB Program shall provide sufficient weekly income benefits to eligible employees that, along with the gross amount of EI benefit received, will equal 95% of normal weekly earnings, for up to **[XX]** weeks.

X.3 The SUB Program will provide income benefits equal to 95% of normal weekly earning, during any waiting period required for EI benefits. The Plan will also provide full coverage for an employee not in receipt of EI benefits, due in whole or in part to a previous layoff by the Employer.

X.3 Eligible employees include those in receipt of Employment Insurance or other government-provided income support benefits, due to a temporary stoppage of work, while participating in approved training or absent from work due to illness, sickness or quarantine.

X.5 SUB Program payments will not reduce any guaranteed annual remuneration, deferred remuneration, or severance pay.

X.7 Supplemental Unemployment Benefits do not apply to employees receiving short or long term disability plan benefits.

***Note to Local Union Committees****:**the 95% maximum replacement rate of SUB plan payments and EI benefits is a precondition of any SUB plan, based on Service Canada rules. For additional info, click* [*here*](https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-employers-supplemental-unemployment-benefit.html)*.*

**SAMPLE LANGUAGE**Article XX.X

# **Income support for maternity, parental and caregiving leave**

X.1 The Employer shall provide a supplementary weekly benefit to eligible employees, who are in receipt of maternity, parental (including adoption) or caregiving benefits under Employment Insurance, for a period of up to **[XX]** weeks.

X.2 Employees required to serve a waiting period for EI benefits shall receive a supplementary benefit in an amount equal to 100% of their regular weekly straight-time pay for the duration of such waiting period. Thereafter, the supplementary benefit shall be an amount which, when added to Employment Insurance benefits, is equal to 100% of the employee’s regular weekly straight-time pay.

X.3 An Employee, who is on pregnancy, parental or caregiving leave, and **not in receipt of EI benefits** **for all or a portion of their leave**, due in whole or in part to a previous lay off by the Employer, shall receive a supplementary benefit equal to 100% of their regular weekly straight-time pay.

X.4 For clarity, the Parties recognize that the supplementary benefit shall apply irrespective of a registered Supplemental Unemployment Benefit (SUB) Program.

X.5 The Employer shall also keep records of benefits paid to employees through this supplementary benefit, per Government of Canada requirements.