

Do Prior Year Bonus Payments Affect EI Benefits of Employees on Maternity Leave? – Ask The Expert



Bonus payments for prior years may lead to EI overpayments that employees must repay.

QUESTION

Can an employee who began maternity leave in January 2022 be paid in February 2022 for a yearly bonus for 2021 without it affecting her current EI maternity benefits? The employee says that as long as the company issues an ROE confirming that the bonus relates to 2021, it shouldn't be a problem for 2022 EI benefits. Is this true?

ANSWER

Unfortunately, no, I can't confirm this. What you describe is a common situation, which ends up costing the person to lose some or all of the EI maternity benefits to which he/she would have otherwise been entitled.

EXPLANATION

If the person is on EI benefits and a bonus is paid during the time she's on a maternity leave:

- The ROE issued at the start of the maternity leave must be amended;
- The bonus amount payable in February 2022 must be reported in Block 17C as other monies and added to pay period one in Block 15C; and
- The bonus will be allocated by Service Canada to the start of the maternity leave, using the employee's weekly average earnings.

This will create an overpayment of EI benefits that the employee will have to repay to Service Canada.