

# Employee Leave Quiz



## **What Happens When Employees on Leave Never Return?**

### **SITUATION**

Pat Turnell, a real estate agent at Lee Van Cumback Realty, goes on unpaid parental leave for 6 months, starting in July 2013, after the birth of his son, Matt. The firm submits an ROE to Service Canada listing parental leave (Code "P") in Block 16 as the reason for issuing the ROE. After some serious soul searching, Pat realizes that he was never happy at LVC. So, 2 weeks before his scheduled return on Jan. 1, 2014, Pat e-mails his manager to let her know he's not coming back from leave because he's resigning from the firm.

### **QUESTION**

**Which of the following statements is true about LVC's obligation to report Pat's decision to Service Canada?**

- A. The firm doesn't have to amend the original ROE because only a single ROE is required to report the interruption of earnings of any particular employee.
- B. The firm doesn't have to amend the ROE because there are no further earnings payable to Pat from LVC.
- C. The firm doesn't have to amend the ROE because Pat effectively ceased to be an employee when his leave began.
- D. The firm must file an amended ROE listing a different reason in Block 16.

### **ANSWER**

**D. The original ROE must be amended to show "E," resignation, as the "Reason for Issuing the ROE" in Block 16.**

### **EXPLANATION**

Employers use the ROE to report to Service Canada when an employee experiences an interruption in earnings. Service Canada uses the ROE information to determine the employee's eligibility for EI benefits. Among the most significant information listed on the ROE is the reason for leaving in Block 16. This scenario, which is purely hypothetical, shows what happens when an employee who goes on leave later decides not to return to work.

When Pat first went on leave, the reason for his earnings interruption was his

decision to go on leave (Code "P"). But once Pat decided not to return to work, that reason was no longer valid. So, it was incumbent upon Pat's employer to submit an amended ROE changing the code in Block 16 to E to let Service Canada know that Pat decided not to return to work. Amending the ROE isn't just a matter of paperwork. Because employees who quit their jobs generally aren't eligible for EI, filing an amended ROE is crucial to prevent Service Canada from paying Pat benefits to which he isn't entitled.

#### **WHY WRONG ANSWERS ARE WRONG**

**A is wrong** because employers must issue as many ROEs for an employee as necessary to accurately report the individual's employment information to Service Canada. So when information in an original ROE is no longer true, it must be amended. In this case, the reason for interruption of earnings changed; but other kinds of changes can also prompt the need for amending the ROE, e.g., if Pat had received payments from the firm upon resigning these payments would have to be listed in Block 17.

**B is wrong** because the fact that there's nothing further payable to Pat doesn't alter the firm's requirement to report Pat's decision to quit his employment.

**C is wrong** because Pat really doesn't cease to be an employee while he's on parental leave. For example, he'd probably still have rights under the ESA of his province or Human Rights legislation to return to his previous job at the end of his leave. More importantly, the obligation to report to Service Canada on the terms and conditions of employment doesn't end just because a person is no longer an employee. Under subsection 126(14) of the *Employment Insurance Act*, Service Canada may require employers to produce information necessary for administering EI without restriction as to time.