The Paperwork of Termination – How to Report Termination Payments in the ROE

As if termination wasn't bad enough, the process involves a lot of paperwork, including completing one of the most detestable forms invented by a civilized society: the Record of Employment ("ROE"). (Incidentally, ROEs must also be completed when employees aren't fired but their earnings are interrupted.) Among the biggest ROE headaches is properly listing termination payments.

Make Sure You Report the Info in BOTH Blocks

Unfortunately, Service Canada's instructions about reporting of termination payments are somewhat confusing. One problem is that they don't make it clear that certain termination payments, such as wages in lieu of notice, must be reported in not 1 but 2 places: Blocks 15 and 17.

Termination Payments in Block 15

Block 15 requires employers to report total insurable earnings and insurable earnings by pay period, including:

* Block 15A: Total insurable hours;

* Block 15B: Total insurable earnings; and

* Block 15C: Insurable earnings by pay period.

Anything that's insurable for the purposes of taking an EI premium belongs in Block 15. Examples include wages, statutory holiday pay, vacation pay and banked overtime. If there's been a pay period with no insurable earnings and the employer must complete Block 15C, any payments on termination that are insurable should be added to the first pay period reported in Block 15C, since the pay periods are reported in reverse order.

Termination Payments in Block 17

Block 17 requires employers to report all payments or benefits paid upon, in anticipation of and after termination, including

* Block 17A: Vacation pay;

* Block 17B: Statutory holiday pay; and

* Block 17C: Other monies.

Unlike the case with Block 15, Block 17 is used only for payments that result from the termination or interruption of earnings itself (which Service Canada refers to as “separation”), such as wages in lieu of notice, statutory severance pay and retiring allowances. In other words, routine payments not affected by the termination, including regular wages from the last pay period are not reportable in Block 17.

Example: While a retiring allowance would be reportable only in Block 17, regular wages would be reportable only in Block 15 and wages in lieu of notice would be reportable in both Blocks.

One final note: It doesn’t matter when you make these separation payments to the employee. For example, the employee can receive these payments or benefits in the final pay period, any time after notification of termination or interruption of earning or at a later date during the interruption of earnings.