

Supplementary Unemployment Benefit (SUB) Multi-Employer Plan Description

Supplementary Employment Insurance Plan (SUB) for the Churches

The current health benefits package that the churches have with the Canadian Conference does not include a short-term disability plan. The long-term disability plan comes into effect after 17 weeks. Suppose an employee is absent for an extended period (between 1 and 16 weeks) for medical/ health reasons. In that case, the local church either continues to pay the full salary or issues a layoff notice to the employee for them to collect Employment Insurance (EI) benefits. The first option may present a burden to the church, and the second, a burden to the employee.

The purpose of a SUB plan is to provide supplemental payments up to a maximum of 95% of the normal weekly earnings during a period of unemployment in case of illness. Other situations exist where coverage would be available, but these would not be common in a church setting.

Employers use SUB plans to increase the employee's weekly earnings during periods of unemployment at a level (between 0 and 40% of regular weekly earnings) of their choosing. Payments from registered plans are not deducted from the employee's EI benefits. Payments under a registered SUB plan are not considered insurable earnings; therefore, EI premiums are not deducted.

The following items constitute the SUB Plan description for the member churches of the Mennonite Brethren Church of Manitoba (MBCM):

1. The following group(s) of employees is/are covered by the plan: All full & part-time employees with one year of service.
2. The plan will supplement EI benefits for periods of unemployment caused by illness and temporary stoppage of work or layoff due to injury and/or quarantine.
3. Verification that the employees have applied for and are in receipt of EI benefits will be made before SUB payments are paid.
4. The SUB is payable at 95% of the employee's normal weekly earnings while the employee is serving the one-week EI waiting period or when the waiting period is waived under special circumstances.

5. The plan provides that the gross amount of EI benefit from this employment plus the SUB payment will equal 95% of the employee's normal weekly earnings. (Automatic adjustment)
6. The SUB benefit will be paid up to 17 weeks.
 - a. Service Canada- SUB Program will be informed in writing of any change to the plan within thirty (30) days of the effective date of the change.
7. The plan is financed by the employer's general revenues. A separate record of all the SUB payments will be kept.
8. Payments of guaranteed annual remuneration, deferred remuneration, or severance pay will not be reduced or increased by payments received under the SUB plan.