

EMPLOYMENT INSURANCE AND FRAUD

At Service Canada, we deliver the Employment Insurance (EI) program.

Through the EI program, we help Canadians by providing them with temporary financial assistance when they are unemployed, sick or injured, pregnant, caring for their newborn or newly adopted children, or providing care or support to a gravely ill family member.

As someone receiving EI benefits, you have certain responsibilities when it comes to protecting the EI program from fraud. You share these responsibilities with employers and third parties.

When someone intentionally provides false or misleading information about a claim, it is considered to be fraud.

YOUR RESPONSIBILITIES

While you are receiving EI benefits, you are responsible to:

- ▶ Be capable of and available for work
- ▶ Actively search for and accept offers of suitable employment
- ▶ Report all periods when you are not available for work or are unable to accept work for any reason
- ▶ Report all work whether you work for someone else or yourself
- ▶ Report all earnings before deductions in the week(s) in which you earn them, as well as any other money you may receive
- ▶ Report any absences from your area of residence and/or any absence from Canada
- ▶ Notify us of any separation from employment and the reasons for the separation
- ▶ Keep a detailed record as proof of your job search efforts to find suitable employment
- ▶ Let us know when you refuse any offers of employment

RESPONSIBILITIES OF EMPLOYERS AND THIRD PARTIES

A third party is any person who acts on your behalf, or on behalf of your employer.

Employers and third parties are responsible for ensuring that any information they provide to us about an EI claim is accurate and complete.

MISTAKES CAN HAPPEN

We understand that mistakes can happen. Sometimes, you can unknowingly make a mistake when filling out forms or reporting circumstances. If you realize you have made a mistake, you need to let us know immediately so we can correct the situation.

COMMITTING FRAUD

If you knowingly withhold information or misrepresent the facts to make a false claim, you are committing fraud. In this case, you may be penalized or prosecuted. In addition, your employer or any third party who helps you commit fraud may also be penalized or prosecuted when we detect the fraudulent activity.

Note

If you have knowingly held back information or made a false or misleading statement and you let us know about it before we begin an investigation, we may be able to waive the monetary penalties or prosecution that might otherwise result. To get in touch with us, please see the "Need more information?" section at the end of this publication.

Penalties for committing fraud

Depending on the circumstances, if you knowingly make false or misleading statements, you will likely be fined. The amount of the fine varies, but you may have to pay up to 150% of any overpayment you received, or three times your benefit rate for every false statement, whichever amount is lower. The value of the overpayment is the total of any benefits that you were actually paid plus a percentage of the value of any benefits that you could have been paid because of the fraud.

In addition, we may record a violation on your EI file. If this happens, you will need to work more hours to qualify for EI benefits in the future. We will calculate the number of hours based on the following chart. The higher the value of this figure, the more hours you may need to qualify for EI benefits.

It does not matter if you apply for regular, sickness, maternity, parental, compassionate care or family caregiver for children or adults benefits—you will need the increased number of hours to receive any of these benefits.

Violation type	Value of overpayment	Increase in number of hours you need to qualify for EI benefits*
Minor	Less than \$1,000	25% more hours Example: If you usually need 420 hours, you will now need 525 hours.
Serious	Between \$1,000 and \$4,999	50% more hours Example: If you usually need 420 hours, you will now need 630 hours.
Major	\$5,000 or more	75% more hours Example: If you usually need 420 hours, you will now need 735 hours.
Subsequent	More than one violation in your file (regardless of the value)	100% more hours Example: If you usually need 420 hours, you will now need 840 hours.

* These increases apply for five years from the date we record the violation on your file or to your next two claims, whichever comes first.

Penalties for employers

Employers who commit fraud—for example, by falsifying or selling a Record of Employment—are also subject to penalties. They may have to pay up to \$12,000 per Record of Employment, or a fine that would total the amount of all claimants' penalties in relation to the offences.

A person acting on behalf of an employer (for example, corporate directors, officers, or agents) may also be penalized separately if they make false statements.

Interest on unpaid financial penalties

Please note that we charge you interest on any new or existing debt that is created because you knowingly made false or misleading statements.

Prosecution for EI fraud

EI fraud is a serious offence that can result in prosecution. All parties involved can be prosecuted—including EI claimants, employers, and third parties. Prosecutions take place under either the *Employment Insurance Act* or the *Criminal Code of Canada*, as determined by Employment and Social Development Canada.

PROTECTING THE EI PROGRAM

We are all responsible for helping to detect and deter EI fraud.

At Service Canada, we are determined to protect the EI program. Our powerful computer tracking and linked data systems now mean it is almost impossible for fraudulent activity to remain undetected for long.

You also have an important role to play in helping to protect the EI program. If you are aware that someone has committed fraud, please let us know.

CONTACT US

To provide details of reporting mistakes or fraudulent activity related to EI claims, or for more information, please call our toll-free EI Telephone Information Service at 1-800-206-7218 (TTY: 1-800-529-3742), from 8:30 a.m. to 4:30 p.m. , and press "0" to speak to a representative.

You can also write to us or visit us at a Service Canada Centre. For a list of offices, visit **Canada.ca**

NEED MORE INFORMATION?

To find out more about Employment Insurance benefits:

Click **Canada.ca**

Call 1-800-206-7218
(TTY: 1-800-529-3742)

Visit a Service Canada Centre

You can download this publication by going online: **publiccentre.esdc.gc.ca**

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