

The Mennonite Brethren Church of Manitoba Supplemental Unemployment Benefit (SUB) Multi-Employer Plan Description

Supplementary Employment Insurance Plan (SUB) for the Churches

The current health benefit 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. If an employee is absent for an extended period of time (between 1 and 16 weeks) for medical / health reasons, the local church either continues to pay full salary or issues a layoff notice to the employee in order 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 as 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 employees covered by this SUB Plan shall include all full time and part-time employees of the churches which are members of the MBCM.
2. The Plan will supplement EI benefits for periods of unemployment caused by illness, injury 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 maximum of 95% of the employee's normal weekly earnings while the employee is serving the two-week EI waiting period, if any.
5. The maximum benefit paid under this Plan is set at 40% of the employee's weekly earnings. Each member church has the option of supplementing EI benefits at a level of their choice such that with the weekly SUB payment plus the gross amount of the EI benefit will not exceed 95% of the employee's weekly earnings.
6. The SUB payment will be paid for a maximum period of 17 weeks.
7. a) The duration of the Plan is from September 1, 2010 to August 31, 2015

- b) 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.
- 8. a) The Plan is financed by the employer's general revenue.
b) A separate record of all SUB payments will be kept.
- 9. Payments for guaranteed annual remuneration, deferred remuneration, or severance pay will not be reduced or increased by payments received under the SUB Plan.