

Benefits Bulletin

Information Update for Group Benefits Plan Sponsors and Plan Advisors

EMPLOYMENT INSURANCE PREMIUM RATES AND BENEFITS 2007

Premium rates reduce

Human Resources and Social Development Canada (HRSDC) has reduced EI premium rates for 2007. Employees will pay \$1.80 per \$100 of insurable earnings, reduced from \$1.87 in 2006. Employers pay \$2.52 per \$100 of insurable earnings, reduced from \$2.62 in 2006.

Benefits increase

Effective January 1, 2007, HRSDC increased the maximum insurable earnings (MIE) from \$39,000 to \$40,000. This increase in MIE means an increase in the maximum weekly Employment Insurance (EI) benefit payable, from \$413 to \$423.

The change to the maximum weekly EI benefit means an increase in coverage provided under Weekly Indemnity (WI) plans that are linked to the EI maximum benefit. As a result, for those plans that are affected by this change, Manulife will be adjusting your 2007 WI premiums in line with the increased volume of WI

coverage. We are working on an update to systems and business processes. Your bill will be updated by the end of 2nd quarter 2007 with the new WI premium amount and a retroactive adjustment to January 1, 2007

If you self-administer the premium remittance for your plan, you will need to increase the volume of coverage for those employees who earn more than the previous MIE of \$39,000, if you have not already done so.

Is a plan amendment required?

If your WI plan is linked to the EI maximum benefit but does not specifically indicate a maximum dollar amount, you do not need to make any changes to your plan.

If your plan specifies a WI maximum benefit of \$413 with the intent of matching the maximum weekly EI benefit, you will need to request an amendment to your contract. Contact your Manulife Financial representative to initiate this change.

Summary of EI Figures for 2006 and 2007	All Other Provinces		Quebec	
	2006	2007	2006	2007
Maximum Yearly Insurable Earnings	\$39,000	\$40,000	\$39,000	\$40,000
Maximum Weekly Benefit	\$413	\$423	\$413	\$423
Employee Contribution				
- Rate per \$100 of Insurable Earnings	\$1.87	\$1.80	\$1.53	\$1.46
- Maximum Annual Contribution	\$729.30	\$720.00	\$596.70	\$584.00
Employer Contribution (without a Registered WI plan)				
- Rate per \$100 of Insurable Earnings	\$2.618	\$2.52	\$2.142	\$2.044
- Maximum Annual Contribution	\$1,021.02	\$1,008.00	\$835.38	\$817.60
Employer Contribution (with a Registered WI plan)*				
- Rate per \$100 of Insurable Earnings	\$2.27766	\$2.16	\$1.80234	\$1.68338
- Maximum Annual Contribution	\$888.29	\$864.00	\$702.91	\$673.35
- Savings per \$100 of Insurable Earnings	\$.34034	\$.36	\$.33966	\$.36062
- Savings in Maximum Annual Contribution	\$132.73	\$144.00	\$132.47	\$144.25

Please note : The employee and employer rates in Quebec are lower than the rest of Canada as the province of Quebec began offering its own parental benefits in January 2006. Additional premiums are required under the Quebec Parental Insurance Plan.

*The reduced premium amount applicable to plan sponsors may differ from the figures indicated herein, depending on plan design or type of arrangement (such as sick leave, salary continuation). Plan sponsors can obtain this information through the EI Premium Reduction Program by visiting the EI website at <http://www.hrsdc.gc.ca/en/home.shtml>, or contacting your local HRSDC office.

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