

HMV Canada Inc.

WEPP (Wage Earner Protection Program)

FAQ (Frequently asked questions)

Q: What is the Wage Earner Protection Program (“WEPP”)?

A: WEPP is a program delivered by Service Canada, which reimburses eligible employees for unpaid wages, vacation pay, severance and termination pay that are owed after an employer becomes bankrupt or is subject to a receivership under the *Bankruptcy and Insolvency Act*.

The maximum payment for an eligible employee is equivalent to four weeks of insurable Employment Insurance earnings (\$3,946.16 for 2017), minus the amount of prescribed reduction of 6.82%. Payments under WEPP will be made directly by Service Canada and not by the Receiver.

If a payment is made to an employee by Service Canada, then Service Canada will be entitled to any payments made by the Receiver to the employee, up to the amount paid by Service Canada.

Q: What is the prescribed reduction?

A: The WEPP payments are subject to a reduction of 6.82%, as prescribed by the WEPP Regulations.

Q: Who is eligible?

A: You may apply if:

- Your employment has ended;
- Your former employer becomes bankrupt or is subject to a receivership; and
- You are owed wages, vacation pay, termination or severance pay from your former employer

Q: What is the eligibility period?

A: The WEPP eligibility period for amounts due is the six-month period ending on the date of the Receivership.

Q: What are the eligible wages under the WEPP?

A: The following earnings are considered eligible wages under the WEPP:

- Salaries, commissions, compensation for services rendered, vacation pay, production bonuses and shift premiums that were earned during the eligibility period preceding the Receivership; and
- Termination and severance pay for employment that ended.

Q: Do I qualify for the WEPP if I continued working for the Receiver after the date of the Receivership?

A: When an employer files for bankruptcy or is subject to receivership, and a court orders that employees need to keep working for the insolvent employer until the Receiver terminates their employment, these employees are eligible for severance and termination payments under the Wage Earner Protection Program (WEPP), providing that all other eligibility conditions are met. Please refer to the following link for Service Canada’s website regarding WEPP: <https://www.canada.ca/en/employment-social-development/services/wage-earner-protection/employee/eligibility.html>

Q. What is required to apply?

A: The Receiver will provide information to Service Canada of the amounts owed to you pursuant to the Company’s books and records, a copy of which will be sent to you by the Receiver. This information, in combination with your application, will be used to determine your eligibility and payment.

Q: How do I apply?

A: You may apply online for the WEPP once you receive a copy of the information provided to Service Canada by the Receiver at the following link: . <https://www.canada.ca/en/employment-social-development/services/wage-earner-protection.html>

If you do not wish to apply online, an application form will be included in the package from the Receiver. Please note each employee is responsible for making their own WEPP application with Service Canada, the Receiver cannot complete this on your behalf.

Q: Is there a deadline to file my claim?

A: The deadline to file your claim is 56 days from the date of termination of employment.

Q: Do I have to file a proof of claim?

A: A proof of claim form will be filed on your behalf with respect to vacation pay, severance pay and termination pay if applicable, based on the books and records of HVM Canada Inc. If you do not agree with the amount filed, a blank proof of claim will be attached to the notice the receiver will send you.

Q: When will I receive my WEPP payment?

A: If you are entitled to receive a payment, Service Canada`s goal is to issue your payment within 35 days provided that Service Canada receives all necessary information to finalize your file. Submitting a complete application will help with timely processing.

Q: Do I have to report my WEPP payments to Employment Insurance (EI)?

A: A WEPP recipient who is or has been in receipt of Employment Insurance (EI) benefits is required to report any payment that they receive from WEPP, as it is considered earnings under the Employment Insurance Regulations.

Q: Is WEPP a taxable income?

A: The WEPP is a taxable payment. WEPP recipients will receive a T4A slip by mail. All T4As will be issued by the last day of February in the next year of payment. The tax slip will be sent to the mailing address indicated on the WEPP application form.