

## Frequently Asked Questions for former Sears Employees

### Applying for and receiving funds from the Wage Earner Protection Program

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## A. INTRODUCTION

### 1. What is WEPP?

The Wage Earner Protection Program (“WEPP”) is a Federal Government support program created by the *Wage Earner Protection Program Act* (“WEPPA”). WEPPA was enacted by the Federal Government to provide relief to, and compensate former employees for the loss of wages or other eligible amounts, including termination pay and severance pay (“Eligible Wage Claim”), owed to them by an employer that has filed for bankruptcy or becomes the subject of a receivership order.

### 2. How will the WEPP process work?

On January 7, 2019, FTI Consulting Canada Inc. (“FTI”) was appointed receiver (“Receiver”) over certain property of Sears Canada Inc. and a number of its affiliates (the “Sears Canada Entities”) pursuant to a court order (the “Receivership Order”).

The primary purpose of the Receivership Order is to allow for WEPP payments from the Federal Government to eligible former employees of the Sears Canada Entities.

After eligible employees receive a notice from FTI regarding the WEPP, they must apply online or by sending in a form obtained from a Service Canada location (for more details, see Section B, below).

[Click here](#) for more information on WEPP.

### 3. Am I eligible for WEPP?

If you are entitled to a termination claim against the Sears Canada Entities, you are likely eligible to receive a payment from the WEPP. In the winter of 2018, you would have received a Termination Claim Statement by logging into the FTI portal. Your Termination Claim Statement provides the amount you are owed by the Sears Canada Entities.

Eligible employees will receive a letter by email (or in rare cases by mail) from FTI that further explains the WEPP process and next steps, including the amount to which you are owed. Appendix A to this letter outlines all the information you need to apply for WEPP.

### 4. How much will I receive from the WEPP?

The amount you receive depends on your individual circumstances and is based on your Termination Claim Statement.

Please note that under the WEPPA, the 2019 maximum amount in respect of Eligible Wage Claims is **\$7,148.15 with a legislated reduction amount of \$487.50, meaning the maximum amount you could receive from WEPP is \$6,660.65.**

## **5. What happens to my Employment Insurance if I receive WEPP?**

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.

You must report your WEPP payment to EI by using the EI Telephone Reporting Service or Internet Reporting Service. Employment Insurance agents will contact you should they require additional information. In some instances, receipt of a WEPP payment can result in an EI overpayment.

## **6. How will WEPP impact my termination claim against Sears Canada Entities?**

In the majority of cases, it is anticipated that former Sears employees will be eligible to receive a greater recovery from the WEPP than they will receive in respect of their termination claim from Sears Canada Entities. For this reason, we strongly encourage all eligible employees to apply for the WEPP.

If there is a subsequent distribution from the Sears Canada estate to former employees, the distribution will first go to the Federal Government to repay any amounts paid to that employee from WEPP (up to the amount paid by WEPP).

For example, if you have a termination claim of \$10,000, you will receive \$7,148.15 (less \$487.50 for a net payment of \$6,660.65) from the WEPP. You will then have an outstanding claim of \$2,851.85 against the Sears Canada estate. Assuming that distribution to unsecured creditors will be 10% (as an example), Sears Canada would owe the employee \$285.18. However, WEPP would get any amount up to \$7148.15 owed to that employee and is therefore entitled to receive that \$285.18 distribution from the estate.

## **B. APPLYING FOR WEPP**

### **7. What information do I need to apply for WEPP?**

You will need the following information to apply for WEPP. Note that this information is available in Exhibit A of your WEPP notice received from FTI Consulting:

- a) Social Insurance Number
- b) Sears Canada Entities' Estate ID: (see Exhibit A of the WEPP notice)
- c) Receiver Corporate Name: FTI Consulting Canada Inc.
- d) Name of Debtor: Sears Canada Inc.
- e) Address of Debtor: 180 John Street, Suite 520, Toronto, ON, M5T1X5
- f) Effective date of receivership: January 7, 2019
- g) Date your employment ended: (see Exhibit A of the WEPP notice)
- h) WEPPA Eligible Wage Claim Amount: the total amount on your Termination Claim Statement from FTI Consulting (see Exhibit A of the WEPP notice)

## 8. How do I apply for WEPP?

After you receive your notice from FTI, go to the following below website to fill out your WEPP forms online:

<https://www.canada.ca/en/employment-social-development/services/wage-earner-protection/employee/apply.html>

Under section “5. Apply”, choose the “apply online for the WEPP” in the first line of the information. Follow the steps to submit your WEPPA Eligible Wage Claim and refer to this document for the required information. If you need assistance in completing or submitting the WEPP forms online, please visit the below website:

<https://www.canada.ca/en/employment-social-development/services/wage-earner-protection.html>

If you do not wish to apply online, you can obtain a paper application form at a [Service Canada Centre](#).

## 9. What is the deadline to apply for WEPP?

You must submit your application for WEPP to Service Canada no later than 56 days following the Receivership Effective Date. This means that the **deadline to apply is March 4, 2019**.

## 10. What happens if I submit my application late?

If you apply outside the deadline, you are required to provide a written explanation for the delay. If you do not have a good explanation for the delay in applying for WEPP, Service Canada may refuse to consider your late application.

For this reason, we strongly encourage all employees to apply within the deadline.

## 11. What happens after I applied for WEPP?

After applying to WEPP, Service Canada will determine whether you are eligible and if so the amount you are eligible to receive. The Receiver, FTI Consulting, does not make this determination.

According to the WEPP website, **you should receive a decision letter and, if you're eligible, a payment of your WEPP claim within 35 days after submitting your application**. If you do not receive your decision letter or payment within 35 days of applying, please contact Service Canada to check the status of your application.

## C. FURTHER INFORMATION

### 12. Who do I contact if I have more questions about filing a WEPP claim?

If after you have reviewed the instructions you still have any questions about the WEPP or how to file a WEPP claim, please contact Service Canada by telephone at:

**Toll-Free:** 1.866.683.6516  
**TTY:** 1.800.926.9105

or by visiting their website at: <https://www.canada.ca/en/employment-social-development/services/wage-earner-protection.html>

### 13. Contact Information Employee Representative Counsel

If you have read the Frequently Asked Questions listed above and have further questions about your entitlement to WEPP, or your employee claim, you may contact Employee Representative Counsel, Ursel Phillips Fellows Hopkinson LLP:

- Email: [SearsCanadaEmployees@upflaw.ca](mailto:SearsCanadaEmployees@upflaw.ca)
- Phone (toll free): 1-844-855-8352.