

The Top 5 ROE Errors & How to Avoid Them

By Service Canada

Employers must issue a Record of Employment (ROE) when

- an employee experiences an interruption of earnings of seven consecutive calendar days; or
- his or her salary falls below 60% of regular weekly earnings because of illness, injury, quarantine, pregnancy, the need to care for a newborn child or a child placed for the purposes of adoption, the need to provide care or support to a family member who is gravely ill with a significant risk of death, or the need for a parent to care for a critically ill child.

The ROE, whether in electronic or paper format, is the most important document required to process an employee's Employment Insurance (EI) claim. The Service Canada system generates an automated decision on an employee's eligibility and entitlement to EI benefits based on this form.

ROE errors affect both employers and employees. When the form is completed incorrectly, an employee's EI claim calculation cannot be automated, and the employer is inconvenienced by calls from Service Canada to clarify or correct the information on the form. This causes delays in processing the employee's claim, and prevents EI benefits from being issued in a timely manner. Fewer Service Canada calls will save employers time and money, and ensure employees' claims are processed efficiently and effectively.

Service Canada has identified the five most common errors employers make when completing an ROE form and provides tips on how to avoid them.

Error #1:

Consecutive Pay Periods Inconsistent with the Period of Employment (Block 15C)

Of the over eight million ROEs received by Service Canada each year, this error occurs in 13% of paper ROEs filed by employers and in 8% of electronic ROEs filed via ROE Web. When there are too many or not enough pay period amounts completed on the ROE, the employee's EI claim cannot be calculated using the Service Canada automated system, resulting in delays in processing the claim.

This error applies only to employers who complete Block 15C *Insurable Earnings by Pay Period*. The number of consecutive pay periods entered in Block 15C must equal the period of employment, and the employer must provide payroll information for the required number of pay periods in the period of employment. The period of employment is determined by the dates entered into Blocks 10, 11 and 12. The maximum number of consecutive pay periods required to be filled in is determined by these dates and the *Pay Period Type* selected in Block 6. There is a difference in the required number of pay periods between the paper ROE and the electronic ROE.

For example, on a paper ROE, if the *Pay Period Type* in Block 6 is *Weekly*, the maximum number of most recent consecutive pay periods for which payroll information must be entered in Block 15C is 27 pay periods. On an electronic ROE, if the *Pay Period Type* in Block 6 is *Weekly*, the maximum number of most recent consecutive pay periods that must be completed in Block 15C is 53 pay periods.

For more information on required number of pay periods to be completed on the ROE, please refer to the "Calculating Total Insurable Earnings" charts in the section "Block 15C, Insurable earnings by pay period" in Chapter 2 of *How to Complete the Record of Employment Form*, available on Service Canada's website at http://www.servicecanada.gc.ca/eng/ei/employers/roe_guide.shtml.

Error #2:

Overlapping ROEs

This error occurs in 19% of paper ROEs and in 8% of electronic ROEs received via ROE Web.

Overlapping ROEs occur when an ROE is issued for an employee and the pay period shown on that ROE (either the *First Day Worked* shown in Block 10 or the *Last Day for Which Paid* shown in Block 11) overlaps with another ROE previously issued for that same employee.

Information provided on an ROE should represent a specific period of employment. The date entered in Block 10, *First Day Worked*, should be the first day the employee worked after his or her last interruption of earnings. That is, the first day the employee returned to work after the *Last Day for Which Paid* in Block 11 of the previous ROE.

The only time ROEs should overlap is if a prior ROE is being amended. When an amended ROE is issued to correct information already provided on an original ROE, Block 2 must be completed with the same serial number as the original ROE.

Error #3:

No Earnings in the Period Containing the *First Day Worked* (Block 15C and Block 10)

This error is not commonly seen with paper ROEs, but occurs in 7% of electronic ROEs received via ROE web. Where it appears this error may have occurred, a Service Canada agent will contact the employer to verify the form information.

In some cases, the *First Day Worked* in Block 10 is included in the most recent consecutive pay periods in Block 15C, which means that the pay period that the *First Day Worked* falls into contains insurable earnings.

When the pay period containing the *First Day Worked* shows no earnings, Service Canada agents will contact the employer to determine whether the *First Day Worked* entered on the ROE is correct or whether it needs to be corrected.

Error #4:

Invalid Final Pay Period Ending Date (Block 12)

This error occurs in 26% of paper ROEs and 3% of electronic ROEs received via ROE Web. If the Final Pay Period Ending Date on the ROE is blank or incorrect, the employee's EI claim is not eligible for automated calculation by Service Canada, and the employer will be contacted by a Service Canada agent to correct the information.

The *Final Pay Period Ending Date* in Block 12 must be the date of the final pay period in which the *Last Day for Which Paid* (Block 11) falls. The *Pay Period Type* selected in Block 6 and the dates entered in Blocks 10, 11 and 12 are used to determine the period of employment and the number of consecutive pay periods to fill in Block 15C.

For example, if a *Weekly* pay period type is specified, the *Final Pay Period Ending Date* cannot be more than six days after the indicated *Last Day for Which Paid* (Block 11).

Error #5:

Comments (Block 18)

This error occurs in 4% of paper ROEs and in 25% of electronic ROEs received via ROE Web. Comments should only be entered on the ROE in exceptional circumstances.

Whenever a comment is entered by an employer in Block 18, the ROE is removed from Service Canada's automated processing system and an agent reviews it manually. Manual treatment delays processing of the ROE and any associated claim for EI benefits. Comments should therefore only be entered in Block 18 in exceptional circumstances requiring clarification from Service Canada. It is not necessary to reiterate information in Block 18 that is already provided elsewhere on the form.

For example, if you enter Code A in Block 16 *Reason for Issuing this ROE*, there is no need to enter a more detailed comment in Block 18, such as "temporary shutdown of operations," "employee layoff" or "end of term."

Errors cause inconveniences for employers and delays for employees. It is the employer's responsibility to understand how to complete ROEs correctly and ensure compliance with the legislation, even if your service provider is processing the forms for you.

You can use the following ROE checklist to help ensure accuracy.

ROE Completion Checklist

Did I review all of the payroll information?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did I include the dates on the ROE correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did I review the pay period type in Block 6?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did I total all insurable hours and only include the number of hours in the required maximum number of pay periods?	<input type="checkbox"/> Yes <input type="checkbox"/> No
For the insurable earnings, did I review the number of pay periods that are required to be shown, according to the chart in Service Canada's guide <i>How to Complete the Record of Employment Form</i> ?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did I review which earnings Blocks I am required to complete: 15B and/or 15C? (Complete 15C only if there is a pay period with no insurable earnings for paper ROEs; for Web ROEs, 15C is always completed.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did I include insurable earnings paid at termination in Block 15B and the first pay period in Block 15C, if applicable?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did I report all payments on separation, or payments that will be paid to the employee while off, in Block 17?	<input type="checkbox"/> Yes <input type="checkbox"/> No

For information on the Canadian Payroll Association's Professional Development seminar on [Special Payments & Completing the Record of Employment](#), as well as other popular [Professional Development](#) seminar topics and the [Benefits of Membership](#), visit www.payroll.ca.