

**Cuts to the Employment Insurance program
by the Federal Government in 2012**

Brief

submitted to the

Atlantic Premiers' Council Panel

on Impacts of Changes to Employment Insurance

Common Front for Social Justice

January 2014

INTRODUCTION

Cutbacks to the employment insurance programme brought by Stephen Harper's Conservatives through its 2012 Federal Budget follow a series of such measures imposed in 1992-1993 by the Conservatives Brian Mulroney and Bernard Valcourt and in 1996-1997 by the Liberals Jean Chrétien and Doug Young. These have resulted in a serious deterioration of the safety net that workers had managed to secure to alleviate the effects of job loss.

The figures are telling. While 87% of workers in Canada faced with loss of employment income in 1990 qualified for employment insurance benefits, today only 39% are qualifying. It is easy to predict that with the latest cutbacks, this percentage could decrease even further.

The latest changes are described as rational measures, deemed necessary to counter labour shortages and force unemployed workers to fill vacant positions (which would be abundant considering the low unemployment figures...). This discourse is being hammered home, with extra support from prejudice and stereotyping of unemployed persons, seasonal workers and workers from poorer areas as lazy and negligent.

Single definitions are being privileged and given legitimacy. The concept of availability, for instance, is put forward to justify new requirements regarding proof of being in search of a job. Increasing availability is also responsible for the termination of income adjustments practices such as the "Best 14 Weeks" and "extra five weeks" pilot projects, and their exclusion from the regular EI process.

It is in no way compulsory for this panel of experts and for Atlantic provincial governments to use the same definitions as the Harper Government. It is our position that instead, its members should approach this as did Canada's Supreme Court in its Reference on the subject of the constitutional validity of maternity benefits (Reference re Employment Insurance Act (Can.), ss. 22 and 23, 2005 SCC 56, [2005] 2 SCR 669, (<http://www.canlii.org/fr/ca/csc/doc/2005/2005csc56/2005csc56.pdf>))

[66] [...]The social nature of unemployment insurance requires that Parliament be able to adapt the plan to the new realities of the workplace. Some eligibility requirements derive from the essence of the unemployment concept, while other requirements are, rather, mechanisms that reflect a social policy choice linked to the implementation of the plan.

In this Reference, the province of Quebec wished to recover contributions paid to the federal Employment Insurance plan to fund its own new and generous

maternity/parental leave program. In support of its claim, Quebec argued that maternity leaves were unconstitutional under the Employment Insurance plan, that they weren't definable as insurance but rather as assistance and as such were under provincial jurisdiction. The Supreme Court rejected this argument by distinguishing between commercial insurance and social insurance (ss. [55]) and confirmed that Employment Insurance is a social insurance.(our emphasis)

We are not claiming that the Federal Government has a legal and constitutional obligation to help particular groups or regions through its Employment Insurance Plan. We are simply saying that it may do so, that assistance is compatible with it, and as explained by the Supreme Court, that assistance can be integrated smoothly to a public employment insurance plan, and that this is the approach that the Panel of experts should espouse, particularly as it applies to the concept of availability.

To support its claim, Quebec had emphasized that the plan could not include maternity benefits because pregnant women are neither able nor available to work and consequently, cannot be termed "unemployed". The Court rejected this argument because it restricted the application of the Plan to its objectives in the late 1930s. It mentions that at the beginning, the plan was expected to allay conjunctural unemployment, and was later applied to frictional unemployment and more lately to the effects of technological change.

[59] [...]Whether unemployment is conjunctural, structural, frictional or technological, the interruption of employment will undeniably be regarded as an unemployment situation regardless of the nature of the unemployment..

[60] The eligibility requirements for benefits under the UIA, 1940 have been expanded to take the new realities into account. Availability for employment does not necessarily mean that there are realistic chances of finding employment. Seasonal unemployment provides a clear illustration of this reality. While the first legislation excluded all employment in agriculture, forestry, fishing and hunting (UIA, 1940, First Schedule, Part II), there can now be no question regarding the public plan's support in relation to these economic activities, which are vital to Canada but are subject to constraints over which employers and employees have no control. (our emphasis)

While the following comments were issued by the Supreme Court as part of its maternity benefits review, we believe they are equally applicable to seasonal workers and to regions with chronic high unemployment.

[61] The expressions “unemployed person”, “unemployed” and “unemployment” have a variety of meanings. For example, according to the *Nouveau Petit Robert* (2003), at p. 431, a “*chômeur*” [unemployed person] is a person who is involuntarily deprived of employment; the word “*chômé*” [unemployed] relates to a requirement to stop working; and the word “*chômage*” [unemployment], in its ordinary sense, means an interruption of work resulting from a lack of employment. However, that dictionary also gives a more modern definition, which refers simply to an interruption of work. *Merriam-Webster’s Collegiate Dictionary* (10th ed. 1994), at p. 1290, defines the expression “unemployment insurance” as follows: “social insurance against involuntary unemployment that provides unemployment compensation for a limited period to unemployed workers”.

[62] The ordinary meaning fits easily into the early unemployment insurance legislation. Stable, permanent employment was indeed the rule at that time. . Today, interruptions of employment have multiple causes. Lengthy layoffs, when a worker is entitled to be recalled, and temporary or part-time employment are only a few examples of situations indicating a need to reflect on the concept of unemployment. The idea of a “lack of employment” or of a situation being involuntary is not a reliable guide. The modern meaning, which simply requires that there be an interruption of employment, is a better reflection of the contemporary reality of the workplace and more readily incorporates the meaning given to the other words that derive from the same root. (our emphasis)

Canada’s employment insurance plan is no longer strictly an insurance program. Over the years, it has become a social insurance program, or better still, a social solidarity program. In examining the scope of coverage provided to workers and employers by the employment insurance program (see Appendix 1), it is more than obvious that the program has evolved to keep up with job market, economic, and regional realities.

NEW BRUNSWICK IN BRIEF

In this province, the employment situation has been less than stellar since the 2008-2009 recession. Unemployment runs high and jobs are in scarce supply.

a. Unemployment rates

New Brunswick’s unemployment rate has continued to rise. In 2007-2008 it was 7.8%, rising to 9.7% in 2011-2012. During the period from January 12, 2014, to February 08, 2014, it stood at 7.2% for the Fredericton-Moncton-Saint-John

economic region, at 11.9% for Edmundston-Charlotte and at 16.2% for Restigouche-Albert. The rate for the whole province was 9.7%. (source: http://srv129.services.gc.ca/rbin/eng/rates_cur.aspx)

Figure 1. Unemployment rate, by province, 2007-2008 and 2011-2012 (%)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alb.	B.C.
2007-2008	13.1	10.3	7.9	7.8	7.1	6.3	4.4	4.2	3.5	4.3
2011-2012	12.9	11.4	8.6	9.7	7.9	7.7	5.4	4.8	5.2	7.1

Source: Statistics Canada Labour Force Survey

Unemployed workers are being asked to look for a job, but when the ratio between the number of jobless people and the number of job vacancies is examined, it becomes obvious that finding a job is a challenge.

In September 2012, 8.6 unemployed workers vied for each vacant job. One year later, in September 2013, the situation had clearly deteriorated: there were nearly thirteen unemployed workers (12.5) for each job vacancy.

Table 2. Unemployment-to-job vacancies ratio, all unemployed, by province, three-month average, September 2012 and September 2013,

	September 2012	September 2013
Prince Edward Island	8.0	15.5
Newfoundland and Labrador	11.2	14.5
New Brunswick	8.6	12.5
Nova Scotia	9.1	9.3
Ontario	7.0	8.2
Quebec	6.5	8.0
Canada	5.2	6.0
British Columbia	5.3	5.2
Manitoba	3.4	4.1
Saskatchewan	1.9	2.7
Alberta	1.7	2.1

<http://www.statcan.gc.ca/daily-quotidien/131217/longdesc-cg131217b001-eng.htm>

Conditions are certainly more severe in regions with both high unemployment and well-established seasonal industries, such as Madawaska-Charlotte and Restigouche-Albert.

Statistics Canada's data on the number of Employment Insurance recipients confirm that despite cuts to Employment Insurance programs, 3,000 more workers received unemployment benefits in 2011-2012 than in 2007-2008.

Table 3. Total Employment Insurance benefits, 2007-2008 and 2011-2012

Province	2007-2008	2011-2012	Différence
N.-B.	88,900	91,900	+ 3,000

http://www.hrsdc.gc.ca/eng/jobs/ei/reports/mar2012/chapter2_2.shtml

b. Lower wages and benefits

Everyone knows that Employment Insurance benefits only partly compensate the loss of job earnings, i.e. 55% of wages.

Average weekly benefits are revealing of the situation experienced by people receiving employment insurance. New Brunswick's unemployed workers are receiving the second lowest benefits in Canada. While the maximum amount of weekly benefits is \$501 (\$514 in 2014), the average amount in New Brunswick is \$370.

This reflects the low wages earned by New Brunswickers who need to resort to employment insurance. There is little room for error in predicting that for most of these unemployed people, the jobs to which they can aspire will not be much better paid than those they have lost.

Unemployment and Employment Insurance are not get-rich choices. The situation is precarious for many people, and any cut to the plan is likely to have a devastating effect on them.

Table 4. Average weekly benefits for the Atlantic provinces, Manitoba, Canada

Average weekly benefits	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Nfld.	\$343	\$360	\$363	\$377	\$394
P.E.I.	\$346	\$359	\$364	\$370	\$381
N.S.	\$334	\$349	\$356	\$363	\$377

N.B.	\$335	\$347	\$352	\$359	\$370
Manitoba	\$329	\$345	\$352	\$358	\$368
Canada	\$345	\$361	\$367	\$370	\$382

CEIC, 2012 EI Monitoring and Assessment Report, Total Income Benefits, Appendix 2.1

c. Source of income for the province.

In 2011-2012 fiscal year, New Brunswickers received \$847.8 million through the Employment Insurance plan.

Employment Insurance benefits are crucial for workers and their families but also for this province's economy.

Between the start of the recession in 2007-2008 and the year 2011-2012, benefits paid out in New Brunswick increased by \$163.30 million.

Changes to the program will most certainly have an impact on incomes but assessment of consequences for workers and for the province must await the release of the Monitoring and Assessment Report for 2012-2013.

Table 5. Total benefits paid in New Brunswick (M\$)					Difference
2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2007-08 to 2011-12
684,5	723,9	859,5	833,8	847,8	163,3

CEIC, 2012 EI Monitoring and Assessment Report, Total Income Benefits, Appendix 2.1

MAJOR CHANGES IN THE EMPLOYMENT INSURANCE PROGRAM AND THEIR CONSEQUENCES FOR WORKERS.

a-Unemployed categories

Before the 2012 changes, the unemployed were divided into new claimants, frequent claimants and occasional claimants and these distinctions were only used to set different conditions for eligibility to benefits. The latest changes are enhancing these distinctions amongst unemployed workers by instituting new job search requirements, including acceptable employment conditions (e.g. wage decreases) to maintain eligibility.

Everything has changed with these new regulations.

- a- Long-tenured workers must accept jobs paying 90% of their former wages during the first 18 weeks of unemployment, and thereafter, jobs paying 80% of their previous wages.
- b- Frequent claimants must accept jobs paying 80% of their previous wages during the first 6 weeks of unemployment, and thereafter, jobs paying only 70% of their previous wages.
- c- Occasional claimants must accept jobs paying 90% of their previous wages during the first 6 weeks of unemployment, jobs paying 80% of their previous wages from week 7 to 17, and after 18 weeks, jobs paying 70%.

With these new provisions, it is clear that thousands of workers in New Brunswick and Canada will be compelled to accept lower-paying jobs. While this goal may not be overtly stated, it is at least an expected outcome, as confirmed by the “Regulatory Impact Analysis Statement” presented by government in conjunction with its bill to amend regulations.

Cost-benefit statement: It is expected that EI regular claimants will increase their job search effort, which will result in them finding suitable employment and returning to work more quickly in regions where there are suitable employment opportunities. In turn, their time on claim will be shortened.

Enhanced compliance measures to ensure claimants are fulfilling their responsibility to seek suitable employment will require an annual investment of approximately \$7.2 million per year for administrative costs, which includes the cost of processing appeals. It is expected that enhanced compliance measures will result in an estimated 8 000 claimants having their benefits temporarily discontinued until such time as they are able to demonstrate they are meeting their responsibilities under these regulations. These changes will yield program savings of approximately \$12.5 million in EI benefits in 2012–2013 and \$33 million in 2013–2014 and every year thereafter. (our emphasis)

<http://www.gazette.gc.ca/rp-pr/p2/2012/2012-12-19/html/sor-dors261-eng.html#archived>

It can also be foreseen that employers will not be encouraged to pay decent wages, especially in the soft sectors of the economy and in low-paying seasonal industries. This pool of cheap labour will be exerting pressure to effect lower wages and poorer working conditions in these sectors. Consequently, EI benefits on workers’ next claim will be all the more reduced.

b- Demise of adjustment measures for regions with high unemployment rates

The latest cuts in the EI program have also been the death knell of provisions for regional disparities, allowances intended to help communities most afflicted by

high unemployment. Despite the positive impact of the “Best 14 Weeks” and “Extended EI Benefits” pilot projects, government has chosen to eliminate them and refuse their regular application, leaving disadvantaged regions to fend for themselves.

i) **The “Best 14 Weeks” pilot project** provided assistance to workers with irregular earnings at disparate wage levels. If the general rule had been applied to these claimants, their total weekly earnings for EI eligibility would have been lowered by the inclusion of weeks where earnings were lower. In the regions designated for the pilot project, only the best 14 weeks were used to calculate workers’ weekly employment income. The Best 14 Weeks project raised their workers’ total income.

In addition to eliminating from calculations earnings that would result in a decrease in benefits, the pilot project applied a uniform divisor of 14 to determine the amount of benefits, i.e. the divisor did not vary according to the rise or fall of a given region’s unemployment rate. Thus Marie, a Lamèque resident, had a flat divisor of 14 applied to her total gains of \$12,000 throughout the eligibility period, while the same earnings in non-designated regions – where the divisor varied with the unemployment rate – were divided by higher numbers (up to 22, according to figures for 2014, in regions with unemployment rates below 6%). The pilot project set the divisor at 14 and made it invariable in designated regions.

In its review of the “Best 14 Weeks” pilot project, the *Monitoring and Assessment Report* concluded that this method of calculation can make a big difference in the socioeconomic reality of a region and in the lives of unemployed men and women, especially the most vulnerable among them.

[...] 371,370 claimants received higher weekly benefits due to the Best 14 Weeks pilot project in 2011/12. Claimants benefiting from the pilot project represented 57.4% of all claimants in the EI pilot regions in 2011/12, compared with 58.0% in 2010/11. Women were significantly more likely to benefit from the pilot project; 74.5% of women in the pilot regions benefited from the pilot project compared with 46.0% of men.

Similarly, youth in the pilot regions were more likely to benefit from the pilot project; 72.0% of those under 25 received a higher weekly benefit compared with 56.4% of claimants aged 25 to 44, 55.2% of claimants aged 45 to 55 and 54.8% of older workers. Furthermore, occasional workers (69.0%) were more likely than long-tenured workers (49.9%) and frequent claimants (48.0%) to benefit from the pilot project.

Had the pilot project not been in place, the average weekly benefit of affected claimants in 2011/12 would have been \$300, instead of \$350. (our emphasis)
http://www.hrsdc.gc.ca/eng/jobs/ei/reports/mar2012/chapter2_2.shtml

Two rural regions of New Brunswick, Madawaska-Charlotte and Restigouche-Albert, were among 25 Canadian regions where the pilot project divisor was applied.

The disparity between urban and rural areas is particularly pronounced in this province, and unemployment figures bear this out. While the rate of unemployment in the urban hub of Fredericton-Moncton-Saint John is lower than the national rate, the two rural regions designated for the project have among the highest unemployment rates in the country. The “Best 14 Weeks” project in some way allowed an exercise of social solidarity, and more or less recognized the existence of structural unemployment in these regions.

The following table clearly shows that, had the pilot project adjustment not been applied to N.B.’s designated regions, a divisor higher than 14 would have applied, especially for workers in the extensive Madawaska-Charlotte region.

Table 6. Unemployment rates in two N.B. regions where pilot projects were put in place by the federal government (%)

Pilot project region	June 2010	Sept. 2010	Dec. 2010	Mar 2011	June 2011	Sept. 2011	Dec. 2011	Mar. 2012	Dec. 2013
Madawaska-Charlotte	10.4	11.2	12.0	10.8	12.0	11.4	10.6	11.2	11.7
Restigouche-Albert	13.0	13.9	15.5	14.9	15.3	15.3	15.4	14.5	16.3

<http://www.hrsdc.gc.ca/eng/jobs/ei/reports/mar2012/annex1.shtml>

The pilot project ended in April 2013 and was replaced by a new calculation method, called variable best weeks. The divisor will now vary between 14 and 22 as determined by the unemployment rate in each of the province’s EI regions.

Some will claim the new formula, with a divisor that ranges from 14 to 20, may prove beneficial for some workers in regions not designated by the pilot project but that occasionally experience a relatively high unemployment rate. But these gains are in no way able to compensate the rural regions of New Brunswick for the loss of a set divisor. The new calculation method will have a decidedly negative impact for their workers, when their regional unemployment rate falls below 13% and the divisor is set higher (e.g., 20 if the unemployment rate ranges from 7.1% to 8% or 18, if it is 9.1% to 10%). Failure to integrate the “best 14 weeks” procedure in the changes amounts to blurring the distinctions between

rural and urban areas, and ignoring the seasonal nature of many economic activities.

ii) **The “Extended EI Benefits” pilot project** was launched in 2004 in 24 Canadian regions with 10% unemployment rates and above. It was amended several times, ending with its application to only 21 EI economic regions where unemployment rates were lower than 8% for 12 consecutive months. Madawaska-Charlotte et Restigouche-Albert were among the designated regions. The pilot project was terminated in September 2012.

The provision to enhance benefits in regions with high unemployment rates granted five extra weeks of benefits to unemployed workers in these regions.

We have no data on New Brunswick specifically, but extrapolating from the conclusions on the impact of the project at the national level, we have no doubt that termination of this benefit enhancement program aimed at leveling the playing field will hurt New Brunswick, especially in the two designated regions.

Among claims established in 2010/11 in the 21 pilot regions, a total of 96,510 claimants used the additional weeks provided by the Extended EI Benefits pilot project, representing 30.3% of all EI regular benefit claimants during this period. These claimants received their benefit payments from this pilot project after they exhausted their regular entitlement, and so, many of these claimants accessed the additional weeks in 2011/12. (...), the pilot project was more likely to benefit women than men and older workers than other age groups.

Occasional claimants and frequent claimants were significantly more likely to benefit from the pilot project than were long-tenured workers.

http://www.hrsdc.gc.ca/eng/jobs/ei/reports/mar2012/chapter2_2.shtml

c) The Social Security Tribunal

Recent changes to Employment Insurance regulations do not stop at reducing eligibility to and amounts of benefits, but are topped off by limiting access to justice for workers. The new regulations have added reasons that may be invoked to refuse benefits, and increased the complexity of calculations regarding amount and extent of benefits. Opportunities for error and denial of justice have been multiplied. All by themselves, the new rules concerning the wage offer that can be legitimately refused by an unemployed worker will lead to numerous conflicts of interpretation and potentially to denials of justice and rights.

Created on April 1st, 2013, the Social Security Tribunal has sent down the tubes several decades of work by the EI Board of Referees. The former tripartite board (worker representative, employer representative and chairperson appointed by

government) gave a hearing to unemployed workers appealing a decision regarding their application for benefits.

The new Social Security Tribunal eliminates representation for both workers and employers – the very people that fund the EI program. Going forward, appeals will be heard by a single individual appointed by government, and the Tribunal will be deprived of the contextual knowledge made available by members of a tripartite committee. The ensuing process is bureaucratized and less efficient because it raises barriers between decision-makers at the appeal level and the men and women who will bear the consequences of a decision.

Far from increasing in efficiency, the new process is actually taking longer. Unemployed individuals now have to request a review before lodging an appeal. For unemployed workers and their families whose survival depends on Employment Insurance benefits, any delay in payment adds to their burden.

In addition to distancing itself from citizens, the Tribunal is empowered to refuse to hear a case if, without having heard the worker, it feels he or she has no reasonable chance of a successful appeal. Whatever the personal qualifications of individuals appointed to the Tribunal, it is hard to believe they all have the experience to understand the living conditions of people who are compelled to usually resort to unemployment insurance, without being informed of them. To this denial of justice is added the new requirement that permission be sought to challenge a decision before the Appeals Division.

The right to be heard is being all the more restricted by the Tribunal's endeavor to base its decisions on documentary evidence. **Hearings in person will become the exception, not the rule.** Under the pretext that technology can help make communications more efficient, and oblivious to the high rate of illiteracy in some regions, people are being asked to apply for a hearing using a computer, to communicate electronically.

Abolition of the tripartite Board of Referees reflects contempt for the civic rights of unemployed people. Such limitation of their right to be heard is untenable, and even more so considering that, as we have recently learned, the Tribunal will no longer publish all of its decisions. (<http://www.ledevoir.com/politique/canada/396849/le-barreau-denonce-un-systeme-inequitable>).

Besides depriving citizens of the right to review these decisions and understand decision-makers' general trends and considerations, this lack of transparency prevents recipients and their representatives from acquiring data in support of their right to be heard.

d) Workers in seasonal industries and the black hole

Changes to Employment Insurance will have an impact on all men and women workers in the province and across Canada, but workers in seasonal industries, such as construction, natural resources, tourism and education, will likely be the most affected.

According to recent studies, workers in these industries tend to be men, to have lower schooling levels, to be employed by employers with fewer than 20 employees, to have few dependants and to be fairly old.

http://www.hrsdc.gc.ca/eng/jobs/ei/reports/mar2012/chapter2_1.shtml

Every province has seasonal workers, but the proportion of seasonal vs. regular claims is the highest in Quebec and the Atlantic provinces. Percentages range from 35% in Quebec to 52% in Prince Edward Island.

Table7. EI Seasonal Regular Claims as a % of Regular Claims, 2011-2012

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
%	50.4	52.2	39.7	46.3	34.8	20.9	26.6	27.8	12.8	18.6

http://www.hrsdc.gc.ca/eng/jobs/ei/reports/mar2012/chapter2_1.shtml

All unemployed workers will be impacted by these changes to EI, and especially by new regulations for frequent claimants. During the first 6 weeks of unemployment, these workers are forced to accept jobs offering 80 % of their former wages, and after this period, that limit of refusal is lowered to 70%. We can't forget that these workers are for the most part at the very bottom of wage scales and are impacted by structural limits to employment as well as problematic literacy. They will obviously face a continuing reduction of their benefits. Many have mentioned migrating to regions with more jobs to offer, but such decisions may lead to labour shortages for seasonal industries at the core of a region's economy.

f. The Black Hole

Seasonal sector workers receiving Employment Insurance benefits tend to run out of benefits before the start of seasonal employment. This is the Black Hole, a generalized absence of earnings for four to six weeks before resuming work. This situation is more common in Quebec and the Atlantic Provinces, because seasonal sectors offer fewer work hours, and these determine the length of benefits. The Monitoring and Assessment Report published in 2013 considers

that in 2010-2011, 39.9% of these workers in Quebec and 25.0% in Atlantic Canada experienced a Black Hole.(<http://www.hrsdc.gc.ca/eng/jobs/ei/reports/mar2012/chapter1.shtml>)

Changes to EI are helping neither these workers nor these communities. On the contrary, they will be creating a second- or even third-class citizenry.

Other issues

The issues of wait times at Service Canada offices to receive services and the hours of wait time to get information from its 1-800 number are not formally part of the Panel's mandate, but we know and wish to underline that service is slow and inefficient. This detrimental situation cannot be forever ignored.

In the light of the many inefficiencies introduced by the changes, we are convinced that these cuts to the Employment Insurance program are linked to an intentional reduction of the level of service provided to unemployed people.

CONCLUSION

The cuts in the Employment Insurance program penalize unemployed workers.

According to the latest EI Monitoring and Assessment Report published in 2013, it is obvious that changes to the definition of acceptable employment, the termination of the Extended Benefits pilot project, the changes to the Best 14 Weeks project and the installation of the Social Security Tribunal to replace the Boards of Referees will all have a major impact on hundreds of thousands of workers claiming Employment Insurance.

We will have a much more precise overview of their situation when the current Monitoring and Assessment Report is released in 2014, but it is clear that unemployed workers in N.B. are presently experiencing the impact of these reductions. We will leave it to economists to measure their impact on income in N.B. and the additional burden they will place on the province's social programs.

We are encouraging the Panel to propose to governments an approach reminiscent of the Supreme Court's in its Reference on maternity benefits, in refusing a narrow definition of the concept of unemployment but rather supporting social policies that match the conjunctural needs of our evolving economic and social situation.

[66] [...] The social nature of unemployment insurance requires that Parliament be able to adapt the plan to the new realities of the workplace. Some eligibility requirements derive from the essence of the

unemployment concept, while other requirements are, rather, mechanisms that reflect a social policy choice linked to the implementation of the plan.

New Brunswick Common Front for Social Justice

www.frontnb.ca

Appendix 1

Employment Insurance is a social insurance.

Employment Insurance (EI) provides temporary financial assistance to unemployed Canadians who have lost their job through no fault of their own, while they look for work or upgrade their skills.

Canadians who are sick, pregnant, or caring for a newborn or adopted child, as well as those who must care for a family member who is seriously ill with a significant risk of death or who must provide care or support to their critically ill or injured child may also be assisted by Employment Insurance.

Types of Employment Insurance benefits

There are several types of benefits available to Canadians, depending on their situation.

- Employment Insurance Regular Benefits are available to individuals who lose their jobs through no fault of their own (for example, due to shortage of work, seasonal layoffs, or mass layoffs) and who are available for and able to work, but can't find a job.
- Employment Insurance Maternity and Parental Benefits provide support to individuals who are pregnant, have recently given birth, are adopting a child, or are caring for a newborn.
- Employment Insurance Sickness Benefits are for individuals who are unable to work because of sickness, injury, or quarantine.
- Employment Insurance Compassionate Care Benefits are available to people who have to be away from work temporarily to provide care or support to a family member who is gravely ill with a significant risk of death.
- Employment Insurance benefits for Parents of Critically Ill Children are available to eligible parents who take leave from work to provide care or support their critically ill or injured child.
- Employment Insurance Fishing Benefits provide support to qualifying, self-employed fishers who are actively seeking work.

Employment Insurance Initiatives

- Variable Best Weeks Initiative
Beginning April 7, 2013, the benefit amount used to calculate Employment Insurance (EI) regular and special benefits will be based on the highest weeks of earnings over the previous year.
- Connecting Canadians with Available Jobs initiative
Beginning January 6, 2013, the Connecting Canadians with Available Jobs (CCAJ)

initiative will help unemployed people receiving Employment Insurance (EI) regular or fishing benefits stay connected with available jobs that match their skills and are in their local area, and will provide them with the additional support to help them find work.

- Employment Insurance Special Benefits for Self-Employed People
Registered and qualified self-employed Canadians can access Employment Insurance (EI) special benefits: maternity, parental, sickness, compassionate care and parents of critically ill children benefits
- Extension of Eligibility Period for Employment Insurance Parental Benefits for Military Families
If your parental leave has been deferred or interrupted because of an imperative military requirement, the parental eligibility period during which Employment Insurance (EI) parental benefit can be paid may be extended by one week for every week that you are unable to collect EI parental benefitsSource : <http://www.servicecanada.gc.ca/eng/sc/ei/index.shtml>

The program also currently provides **larger benefits for members of low-income families**. Families are entitled to the Employment Insurance Family Supplement if one of the spouses is receiving the Canada Child Tax Benefit (CCTB), a program administered by the Canada Revenue Agency (CRA), and the net family income is below \$25,921 annually.

Over the years, the program has also brought about several temporary changes. Some of these are no longer in effect, but their very creation demonstrates the diversity of initiatives needed to respond to ever-varying economic conditions in this country.

source- <http://www.hrsdc.gc.ca/eng/jobs/ei/reports/mar2011/annex1.shtml>

- 1- **Extended EI Benefits**
- 2- **Best 14 weeks**
- 3- **Working while on Claim**
- 4- **New Entrants and Re-Entrants (NEREs)**
- 5- **Five-Week Extension of EI Regular Benefits**
- 6- **Career Transition Assistance Initiative**
- 7- **Work-Sharing Program.** Work-sharing is an adjustment program to help employers and employees avoid layoffs due to a temporary reduction of the company's regular level of activity outside the employer's control. This provides income support to employees eligible for EI benefits who choose to temporarily curtail their work week during the company's recovery period.
- 8- **Temporary Additional EI Benefits for Unemployed Long-Tenured Workers.** Long-tenured workers are individuals who have worked and paid EI premiums for a significant period and have previously made limited use of EI regular benefits.
- 9- **Temporary Hiring Credit for Small Businesses.**

Employment Benefits and Support Measures (EBSMs—EI Part II) is another major component of the Employment Insurance program. New Brunswick received \$89.4 million in 2011-2012 through this component.

Source : <http://www.hrsdc.gc.ca/eng/jobs/ei/reports/mar2012/chapter3.shtml>