
















Goals of EI Reform: A Snapshot of Recommendations	Canadian Chamber of Commerce 	Conservative Party of Canada 	Liberal Party of Canada 	New Democratic Party 	Bloc Québécois 
<p>Improve equity and fairness.</p> <p>Currently, workers require 420 to 700 hours of insured work in the previous 52 weeks to qualify for EI (depending on regional unemployment rates), and benefits last from 14 to 45 weeks (19 to 50 weeks for a two-year period as announced in Budget 2009) depending on where one lives. There are 58 ‘Economic Regions.’</p>	<p>Make access to benefits standard – i.e. move to a 560-hour threshold – in ‘Economic Regions’ where the unemployment rate is 10% or less. Leave eligibility requirements in all other regions unchanged. (Cost = \$250 million/yr)</p> <p>Standardize benefit duration based on the 560-hour criteria i.e. min. 25 weeks; max. 49 weeks until Sept. 11, 2010. Min. 20 weeks; max. 44 weeks thereafter. (Cost = \$250 million/yr)</p> <p>Ensure the temporary five-week extension in regular benefit entitlements is not extended beyond Sept. 11, 2010 (Savings = \$575 million/yr)</p>	<p>Temporarily (March 1st, 2009 to September 11th, 2010) increased nationally all regular EI benefit entitlements by five extra weeks, to a maximum duration of 50 weeks. (Cost = \$575 million/yr)</p> <p>Supports working group developing proposals to improve eligibility requirements to ensure regional fairness.</p> <p>Called the proposal to move to a 360-hour standard ‘irresponsible’.</p> <p>Indicated that 58 ‘Economic Regions’ seems unreasonable.</p>	<p>Agreed to the working group developing proposals that will improve eligibility requirements in order to ensure regional fairness.</p> <p>Has recommended a national standard with a temporary 360-hour threshold for eligibility, but is prepared to reach a compromise. (Cost = \$1.0 billion/yr)</p> <p>Duration of benefits would remain unchanged (19 to 50 weeks).</p>	<p>Does “not close the door” on a work requirement for benefits greater than the 360 hours it has advocated for many years. (Cost = \$1 billion/yr)</p> <p>Would not be inclined to support a minimum higher than the existing 420 hours. (Cost = \$800 million/yr)</p> <p>Praised as “creative and helpful” a proposal by the Western premiers to reduce the number of ‘Economic Regions’ from 58 to three – urban, rural and remote.</p>	<p>Supports a uniform qualifying standard of 360 hours of work. (Cost = \$1 billion)</p> <p>Supports a maximum 50-week benefit period on a permanent basis. (Cost = \$575 million/yr)</p>
<p>Directly enhance benefits to put more money in the hands of the unemployed.</p> <p>Under the current system, EI benefits replace 55% of a claimant’s average weekly insurable earnings, up to the Maximum Insurable Earnings of \$42,300 (2009).</p>	<p>Maintain the 55% earnings-replacement rate.</p>	<p>Maintain the current level of benefits.</p>	<p>Maintain the current level of benefits.</p>	<p>Raise the earnings-replacement rate from 55% to 60%. (Cost = \$1.25 billion/yr)</p> <p>Change how benefits are calculated from “the average earnings over the last 26 weeks” to the “best of 12 weeks.” (Cost = \$400 million/yr)</p>	<p>Increase the earnings-replacement rate from 55% to 60%. (Cost = \$1.25 billion/yr)</p>
<p>Ease the financial hardship facing the unemployed.</p> <p>Currently, laid-off workers must wait two weeks after filing a claim before receiving any benefits.</p>	<p>Refrain from eliminating the two-week waiting period.</p>	<p>Does not support eliminating the two-waiting period.</p>	<p>Eliminate the two-week waiting period. (Cost = \$1.0 billion/yr)</p>	<p>Eliminate the two-week waiting period. (Cost = \$1.0 billion/yr)</p>	<p>Eliminate the two-week waiting period. (Cost = \$1.0 billion/yr)</p>

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<p>Ensure the EI Program does not discriminate.</p> <p>Currently, self-employed Canadians do not pay into EI, and are not eligible for benefits (except fishermen)</p>	<p>Self-employed workers can control whether they accept work, or create the conditions necessary for unemployment. Extending EI benefits to the self-employed appears to contradict the original intent of the Program – to provide insurance against unintended periods of unemployment.</p>	<p>Promised during the election campaign to allow the self-employed to voluntarily opt-in to the Program for at least six months prior to making maternity and parental benefits claims. (Cost = \$150 million/yr)</p> <p>Formed a working group to develop proposals to allow the self-employed to participate voluntarily.</p>	<p>Agreed to the working group developing proposals to allow the self-employed to participate voluntarily in the Program.</p>	<p>Expand eligibility to include self-employed workers.</p>	<p>Allowing the self-employed access to the EI system's special benefits without allowing them access to regular benefits is inconsistent.</p> <p>Calling for full access to the system's coverage for self-employed workers.</p>
<p>Amend the rate-setting formula.</p> <p>Under existing rules, EI premium levels are set to ensure the Program breaks even on a yearly basis, and potential amounts drawn down from the \$2 billion reserve are replenished.</p>	<p>Amend the present rate-setting formula with a view of balancing the EI Account over the business cycle of up to ten years, rather than on an annual basis.</p>	<p>Froze EI premium rates for employees at \$1.73 per \$100 of insurable earnings (\$2.42 for employers) for 2009 and 2010. (Cost = \$2.4 billion over two years)</p>	<p>Supports using general revenues to fund costs associated with improving EI access.</p> <p>Supports existing freeze in premiums.</p>	<p>Authorize the Canadian Employment Insurance Financing Board to accumulate surpluses to increase the reserve fund to \$15 billion to help ride out a recession.</p>	<p>Authorize the Canadian Employment Insurance Financing Board to accumulate surpluses to increase the reserve fund to \$15 billion to help ride out a recession.</p>
<p>Promote contribution fairness and an efficient tax system.</p> <p>The Program levies taxes on firms that minimize layoffs and subsidizes businesses that readily resort to layoffs.</p> <p>Employers pay a higher premium rate compared to employees.</p> <p>Over-contributions by employers are not refunded.</p>	<p>Gradually phase in an employer-based experience rating system.</p> <p>Gradually reduce the employer premium rate to that paid by employees.</p> <p>Implement a system that allows for employer over-contributions to be refunded.</p>				

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<p>Improving accountability and transparency.</p> <p>The EI Program has been used to support government spending in a variety of areas completely unrelated to the original goal of the Program.</p>	<p>Operate the EI Program as a true insurance program – one that provides income support for those who are temporarily unemployed through no fault of their own, and who qualify for the Program.</p> <p>Remove the social-program aspects of EI from the regular premium structure and place within general program spending.</p>				<p>Quebec has opted out of the federal <i>Employment Insurance Act</i> to provide its own maternity, parental, and adoption benefits under a provincial plan.</p>
<p>Promote training and skills development.</p> <p>There is \$2-billion odd in job training measures as part of the EI Program.</p>	<p>Remove job training measures from EI expenditures and place within general government spending.</p>	<p>Provided \$500 million over two years to extend EI benefits for long-tenured workers participating in longer-term training, and allowed earlier access to regular benefits for eligible individuals investing in their own training using all or part of their severance package.</p> <p>Provided targeted two-year funding of \$1 billion to expand the availability of training delivered through the EI Program by provinces and territories.</p>		<p>Make it easier for workers to get training through EI.</p>	

Associated Costs of Various Proposals

Standardizing Eligibility Requirements

- A 560-hour standard in economic regions with unemployment rates of less than 10%: \$500 million
- A national standard of 420 hours: \$800 million
- A national standard of 360 hours: \$1 billion

Raising Benefits Directly

- Increasing the earnings-replacement rate from the current 55% to 60%: \$1.25 billion
- Increasing the earnings-replacement rate from the current 55% to 75%: \$3.75 billion
- Changing how benefits are calculated from "the average earnings over the last 26 weeks" to the "best of 12 weeks": \$400 million
- Eliminating the two-week waiting period: \$1 billion
- Permanently extending benefit duration by five weeks – from 45 weeks to 50 weeks: \$1.2 billion

Freezing EI Premiums in 2010: \$1.5 billion