



**HOUSE OF COMMONS
CANADA**

**TOWARDS IMPROVING ACCESS TO EI BENEFITS
FOR WOMEN IN CANADA**

**Report of the Standing Committee on
the Status of Women**

**Hedy Fry, MP
Chair**

JUNE 2009

40th PARLIAMENT, 2nd SESSION

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THE STANDING COMMITTEE ON THE STATUS OF WOMEN

has the honour to present its

SIXTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied the Consequences and Effects the Current Employment Insurance (EI) Programs have on Women in Canada and has agreed to report the following:

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INTRODUCTION

On February 12, 2009, the Standing Committee on the Status of Women agreed to study the effects and consequences of the Employment Insurance (EI) program on women. The Committee devoted ten meetings to the study during which we heard from a range of witnesses including women's organizations, academics and departmental officials.

Since its inception, the Committee has been concerned with women's economic and income security. This study builds on our prior work and recommendations including our 2007 report, *Improving the Economic Security of Women: Time to Act*¹ and our 2005 report, *Interim Report on the Maternity and Parental Benefits under Employment Insurance: the Exclusion of Self-Employed Workers*.²

Our present report begins with an overview of the current EI program. This is followed by a discussion of women's labour market realities and employment patterns. The third chapter addresses the EI program's effects on women and various concerns raised by witnesses. It discusses improvements that can be made to the EI program in order to address women's specific labour market realities and caregiving and family responsibilities.³

1 Available at:
<http://cmte.parl.gc.ca/Content/HOC/committee/391/fewo/reports/rp3034875/feworp21/feworp21-e.pdf>.

2 Available at:
http://cmte.parl.gc.ca/Content/HOC/committee/381/fewo/reports/rp2148183/FEWO_Rpt05/FEWO_Rpt05-e.pdf.

3 Even though members of the Conservative Party of Canada supported the spirit in which the recommendations were made, they did not agree with some of the amendments made. They will therefore table a dissenting report.

CHAPTER 1: THE EI PROGRAM

This chapter provides a short overview of the EI program including current reforms being considered for extending EI maternity and parental benefits to the self-employed. The chapter begins with a description of how the EI program has evolved since its inception in 1940. It then discusses the program's coverage, benefits and eligibility criteria.

I. Evolution of the Employment Insurance Program

Employment insurance (EI), formerly known as unemployment insurance (UI), is a national program that provides financial support to the unemployed. EI was first enacted in Canada in 1940. The *Unemployment Insurance Act* set out to “provide financial assistance to unemployed persons, to find suitable employment for Canadians, to move people from areas of high to low unemployment, and to provide aid to the disadvantaged.”⁴ During its first year of operation, UI coverage⁵ represented approximately 42% of the workforce. By the end of the 1960s, this coverage had expanded to about 68% of the workforce.⁶

Significant reforms were made to the program with the enactment of the *Unemployment Insurance Act* of 1971. An important objective was to provide “adequate” income support for all persons experiencing temporary earnings interruptions. The UI Act of 1971 provided “nearly universal coverage, eased eligibility, and added new special benefits such as sickness, maternity and retirement benefits.”⁷ During the 1970s, the Variable Entrance Requirement (VER) was introduced which determined the claimant's qualifying requirement for UI based on the unemployment rates prevailing in the claimant's region of residence.⁸

Major changes were again made to the program in the 1990s. Following the federal government's Skills Security Review in 1994, the *Employment Insurance Act* was enacted in 1996 and the program was renamed Employment Insurance (EI). Program changes were designed to ensure that unemployed workers returned to work as quickly as

4 Zhengzi Lin, *Employment Insurance in Canada: Recent Trends and Policy Changes*, September 1998, Statistics Canada, p. 5, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=134708.

5 'Coverage' refers to the percentage of unemployed workers who receive UI/EI benefits when they lose their jobs.

6 Ibid., p. 6.

7 Ibid., p. 7.

8 Ibid.

possible.⁹ The program was converted to an hours-based system with 35 hours a week representing the average hours worked by Canadian workers. However, women were averaging less hours of work; hence it became much more difficult for unemployed women to qualify for EI.¹⁰ The Committee heard from several witnesses that as a result of these reforms, EI coverage rates have dropped for many unemployed workers, including women, largely because minimum qualifications requirements became more stringent.¹¹

Other reforms were put in place in the mid-1990s such as reducing the maximum duration of benefits from 50 to 45 weeks; changing the rules for new entrants and re-entrants so that more hours of work were needed to qualify for EI; the introduction of a family supplement for low-income families; and, a premium refund for workers earning \$2,000 or less. The EI program's special benefits were enhanced in 2000. For example, the federal government extended the duration of parental benefits and reduced qualification requirements for maternity, parental and sickness benefits from 700 hours to 600 hours. In its 2009 Budget, the government proposed to extend maternity and parental benefits to the self-employed.

Financing of the EI program initially involved employer, employee and government contributions. In the 1990s, this financing arrangement was altered so that employers and employees became the sole contributors with employers paying 1.4 times the amount contributed by employees. The EI Act also established the Employment Insurance Account. In an effort to improve the management and governance of the EI Account,¹² Budget 2008 announced the creation of the Canada Employment Insurance Financing Board (CEIFB). This Crown corporation will manage a separate \$2 billion EI reserve¹³ and set EI premium rates under a modified rate-setting process.

9 Monica Townson and Kevin Hayes, *Women and the Employment Insurance Program*, November 2007, Canadian Centre for Policy Alternatives, p. 4. http://www.policyalternatives.ca/documents/National_Office_Pubs/2007/Women_and_the_EI_Program.pdf

10 Ibid., p. 8.

11 For example, Mr. Ken Battle, President, Caledon Institute of Social Policy, *FEWO Evidence*, March 5, 2009; Mr. Richard Shillington, Senior Associate, Informetrica Limited, *FEWO Evidence*, February 26, 2009; Dr. Leah Vosko, Canada Research Chair in Feminist Political Economy, York University, *FEWO Evidence*, March 26, 2009.

12 According to HRSDC, the CEIFB will be responsible for implementing an improved EI premium rate-setting mechanism; managing a separate bank account where excess EI revenues are held; and maintaining a \$2 billion cash reserve as a contingency fund to support premium rate stability (see: <http://www.hrsdc.gc.ca/eng/employment/ei/ceifb/index.shtml>).

13 This reserve would be contained outside the EI Account.

II. Reforms Introduced In Budget 2009

*Budget 2009: Canada's Economic Action Plan*¹⁴ provides \$30 billion in support to the Canadian economy. The Budget indicated an intention to strengthen benefits for Canadian workers by implementing the following initiatives related to the EI Program:

- Increasing for two years all regular EI benefit entitlements by five extra weeks and increasing the maximum benefit duration to 50 weeks from 45 weeks at an estimated cost of \$1.15 billion.
- Providing \$500 million over two years to extend EI income benefits for Canadians participating in longer-term training, benefiting up to 10,000 workers.
- Extending work-sharing agreements by 14 weeks, to a maximum of 52 weeks, so that more Canadians can continue working. This measure is estimated to cost \$200 million over two years.
- Consulting with Canadians and developing options to provide self-employed Canadians with access to EI maternity and parental benefits.

In addition, the 2009 Federal Budget freezes EI premium rates at \$1.73 per \$100 of insurable earnings for both 2009 and 2010 at a cost of \$4.5 billion. It will also increase funding for training delivered through the EI program by \$1 billion over two years.

III. Overview of the Employment Insurance Program

This section presents an overview of the EI program including EI coverage, qualification requirements, premium rates, and types of benefits. Issues raised by witnesses and suggested reforms will be discussed in Chapter 3.

A. EI Coverage

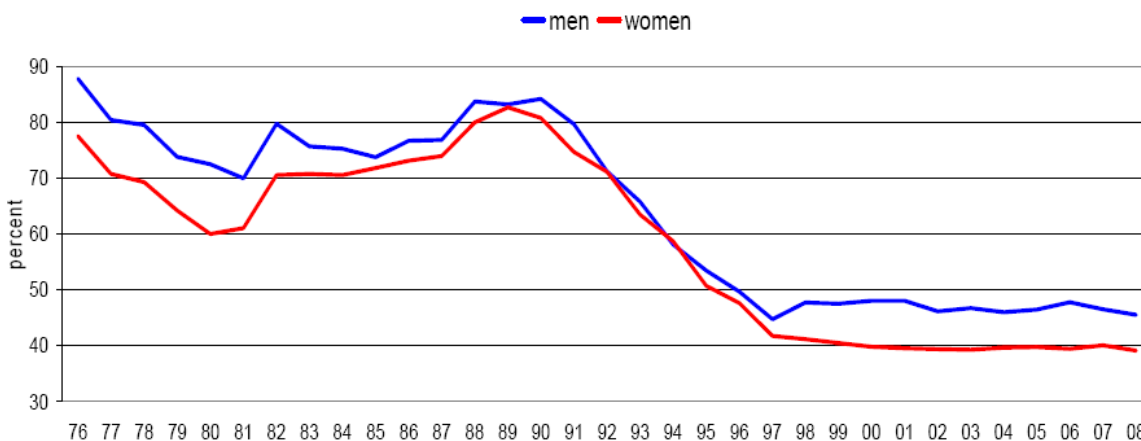
Except in the case of self-employed fishers, EI does not cover self-employed workers. For workers who have an employer-employee relationship, coverage is essentially universal, with a few exceptions however. Some examples of employment not covered under EI include: the employment of a member of a religious order who has taken a vow of poverty; the employment of a person involved in rescue work provided that person is not regularly employed by the employer for that purpose; and employment of a person in

14 See <http://www.budget.gc.ca/2009/home-accueil-eng.asp>.

connection with a circus, fair, parade, carnival or similar activity. These exceptions are identified in subsection 5(2) of the *Employment Insurance Act* as well as sections 7, 8 and 9 of the *Employment Insurance Regulations*.¹⁵

The Committee heard that coverage for both unemployed women and men has significantly declined since 1976 as demonstrated in Figure 1. As one witness pointed out, the gap between women and men has widened since the mid-1990s.¹⁶

Figure 1: Percentage of Unemployed Receiving Regular Employment Insurance Benefits, by Gender, 1976-2008



Source: Ken Battle, “Gender aspects of Employment Insurance, presentation to the Commons Standing Committee on the Status of Women, *FEWO Evidence*, March 2009.

Witnesses raised concerns over the extent that the EI program provides insurance coverage for unemployed women. The Committee heard that coverage rates have declined for unemployed women from 82.6% in 1989 to 39.1% in 2008.¹⁷

The Committee learned that these figures are based on the regular EI beneficiaries to unemployed ratio or B/U ratio, where U, the denominator, represents the total unemployed population. For Human Resources and Skills Development Canada (HRSDC), this type of ratio does not provide an accurate measure of coverage rates. For other witnesses, such a measure provides a much more accurate picture of the insurance

15 The Minister of National Revenue determines whether employment is or is not insurable for the purposes of the Employment Insurance program.

16 Mr. Ken Battle, President, Caledon Institute of Social Policy, *FEWO Evidence*, March 5, 2009 (1120).

17 Dr. Leah Vosko, Canada Research Chair in Feminist Political Economy, York University, *FEWO Evidence*, March 26, 2009 (1150).

coverage of unemployed Canadians. As one witness noted, “it is absolutely essential to look at the reality of the labour market, that is, who's unemployed versus who's receiving benefits.”¹⁸

The EI coverage rate can also be measured using another ratio that considers the unemployed who have paid EI premiums in the previous 12 months. This alternative ratio is the B/UC ratio, or the ‘beneficiaries to unemployed EI contributors’ ratio. The B/UC ratio consists of a modification of the B/U ratio in which the number of unemployed (U) is replaced by the number of unemployed who had been paying EI premiums in the previous 12 months (UC).

The Committee heard from HRSDC that 81% of women were eligible for regular benefits. This 81% figure represents women who were able to fulfill the minimum qualification requirements under the EI program.¹⁹ As Mr. Richard Shillington explained to us:

Think of EI as a series of hurdles. To be eligible for your benefit, you first of all have to have had paid employment—self-employment doesn't count. You have to have a certain number of hours. You have to have left your job for the right reason—you can't be fired; it has to be a lay-off.²⁰

Another witness further elaborated on the usage of government EI statistics:

The government likes to argue that 80% of all currently employed workers would qualify for regular EI benefits if they were to lose their jobs. However, this ignores the fact that job loss particularly affects those with unstable patterns of work, such as workers on reduced hours before a layoff as well as part-time, temporary, and contract workers. It also ignores the fact that many unemployed workers qualify for EI for a shorter period of time but quickly exhaust their benefits.²¹

Even though the Employment Insurance Coverage Survey provides data on B/U and B/UC rates, as shown in Figure 2, these data are not disaggregated by gender. Only the eligibility rate for unemployed people with a recent job separation is disaggregated by gender but not for all groups identified including people who worked full-time and people who worked part-time.

18 Ibid. (1235).

19 Ms. Janice Charette, Deputy Minister of HRSDC, *FEWO Evidence*, April 2 (1120)

20 Mr. Richard Shillington, Senior Associate, Informetrica Limited, *FEWO Evidence*, February 26, 2009 (1140).

21 Ms. Barbara Byers, Executive Vice-President, Canadian Labour Congress, *FEWO Evidence*, March 5, 2009 (1115).

Figure 2: Eligibility Measures Collected via Statistics Canada's Employment Insurance Coverage Survey, 2004-2007

	2007 (%)	2006 (%)	2005 (%)	2004 (%)
B/U ratio	44.2	46.1	44.8	43.6
B/UC ratio	63.1	67.8	65.4	63.5
Eligibility rate for unemployed people with a recent job separation that qualified under EI	82.3	82.7	83.4	80.4
...for unemployed youth	45.9	47.0	49.8	48.5
...for unemployed adult women	87.7	85.4	87.2	82.3
...for unemployed adult men	90.4	91.5	90.2	89.6
...for people who had worked full-time	90.0	86.7	90.4	87.6
...for people who had worked part-timepart-time	33.6	53.8	43.1	42.8
...for people who had worked full and part-timepart-time	81.0	68.9	77.3	80.5
...for immigrants	87.6	77.5	77.3	75.0

* The beneficiary to unemployment ratio represents the proportion of unemployed individuals who received or will receive EI regular benefits. The denominator includes many unemployed individuals for whom EI has never provided access to benefits, such as for example, individuals with no employment in the last 12 months and self-employed workers excluding fishers.

** The beneficiaries to unemployed EI contributors ratio is a modification of the B/U ratio in which the number of unemployed is replaced by the number of unemployed who had been paying EI premiums in the previous 12 months.

*** Proportion of EI contributors who received or will receive EI regular benefits.

Source: Human Resources and Skills Development Canada, *2008 Monitoring and Assessment Report*, http://www.hrsdc.gc.ca/eng/employment/ei/reports/eimar_2008/chapter5_1.shtml.

Given that the Committee heard witnesses discuss various approaches to measuring EI coverage rates, there is a need for HRSDC and Statistics Canada to monitor and track coverage rates disaggregated by gender for all three rates: B/U, B/UC and the eligibility rate for unemployed people.

RECOMMENDATION 1:

The Committee recommends that Human Resources and Skills Development Canada, in coordination with Statistics Canada, produce a public monthly report on Employment Insurance coverage rates using gender disaggregated data for the B/U ratio, B/UC ratio and for the proportion of Employment Insurance contributors who received or will receive Employment Insurance regular benefits, including full-time and part-time workers and age category 15 years and older so as to improve monitoring of the Employment Insurance program's coverage of unemployed women and men.

B. Applying for Benefits

In order to receive EI benefits, individuals must submit an application either on-line or in person at a Service Canada location. In the case of unemployment, this application should be made as quickly as possible after the last day of work. Failure to apply within four weeks after one's last day of work could result in a loss of benefits.

The Committee heard that for unemployed rural women who do not have access to the internet, applying for EI benefits can be a challenge. In particular, women have to travel long distances to reach a Service Canada location.²²

Individuals must satisfy several conditions to be eligible for benefits. If the claimant disagrees with an EI-related decision, he or she has the right to appeal the decision to a Board of Referees²³ or to an Umpire.²⁴

C. Employment Insurance Premium Rates

The employee premium rate was set at \$1.73 per \$100 of insurable earnings by the Canada Employment Insurance Commission in 2008 and 2009. For 2009, Maximum Yearly Insurable Earnings (MYIE)²⁵ are \$42,300. In 2009, the annual maximum employee contribution is approximately \$732. The employer contribution to EI is equal to 1.4 times the premium paid by the employee. Thus, the employer premium rate is \$2.42 per \$100 of

22 Ms. Nancy Baroni, Coordinator, Gender Budget, Canadian Feminist Alliance for International Action, April 2, 2009 (1220).

23 The Board of Referees is an independent and impartial administrative body comprising three members of the community.

24 Umpires are generally judges of the Trial Division of the Federal Court of Canada.

25 Maximum Yearly Insurable Earnings are indexed according to the formula contained in section 4 of the *Employment Insurance Act*, which is based on growth in aggregate industrial average weekly earnings as published by Statistics Canada.

insurable earnings up to this year's MYIE. In 2009, the maximum annual employer contribution per employee is roughly \$1,025. The premium rates presented above are applicable to all Canadian provinces and territories excluding the province of Quebec.

In 2009, the EI premium rate in Quebec is set at \$1.38 for every \$100 of insurable earnings up to this year's MYIE. The annual maximum contribution made by an employee in Quebec is roughly \$584. The employer premium rate in Quebec is \$1.93 per \$100 of insurable earnings up to MYIE, for a total maximum annual contribution per employee of approximately \$817. Lower premium rates in Quebec as compared to the rest of Canada are explained by the fact that this province finances its own parental benefits.

Figure 3 presents the employee/employer premium rates, the maximum insurable earnings and the maximum employee/employer contributions under the EI program for Quebec and the rest of Canada.

Figure 3: Employee and Employer Premium Rates, Maximum Insurable Earnings and Maximum Contributions under the Employment Insurance Program, Quebec and the Rest of Canada (Effective January 1, 2009)

	Quebec	Rest of Canada
Employee Premium Rate (per \$100 of insurable earnings)	\$1.38	\$1.73
Employer Premium Rate (per \$100 of insurable earnings)	\$1.93	\$2.42
Maximum Yearly Insurable Earnings	\$42,300	\$42,300
Maximum Employee/Employer Contributions	\$584/\$817	\$732/\$1,025

Source: Human Resources and Skills Development Canada and Department of Finance Canada.

D. Types of EI Benefits, Qualification Requirements and Duration of Benefits

There are four types of EI income benefits: regular benefits, special benefits, work-sharing benefits, and fishers' benefits. Our focus in this report is on regular and special benefits.

The weekly benefit level for regular and special benefits is equal to 55% of average weekly insurable earnings.²⁶ Average weekly insurable earnings are calculated over the larger of the following two divisors: the number of weeks in which a claimant had earnings in the last 26 weeks of the qualifying period (also called the maximum rate calculation period) or the divisor (i.e. 14 to 22 depending on the regional rate of unemployment).

²⁶ The effective benefit rate is higher for claimants who are entitled to the family supplement, a payment made to claimants who are entitled to the Canada Child Tax Benefit.

1. Regular benefits

According to HRSDC, individuals who become unemployed due to a shortage of work, either seasonal or cyclical, may be eligible for regular benefits under EI.

In order to qualify for EI regular benefits, the claimant must be involuntarily unemployed, be without earnings for at least seven consecutive days and meet the minimum number of hours of insurable employment²⁷ (i.e. the minimum qualification requirement) for the regional rate of unemployment during the qualifying period (i.e. during the last 52 weeks or since the individual's last claim). Note that the minimum qualification requirement varies inversely with the unemployment rate: from 420 hours in regions with an unemployment rate over 13% to 700 hours in regions with an unemployment rate below 6%. Please refer to Appendix 1 for the minimum qualification requirement per regional rate of unemployment.

New entrants to the labour market and re-entrants (NERE),²⁸ however, are required to obtain at least 910 hours of work to qualify for regular benefits. Under the previous Unemployment Insurance program, new entrants and re-entrants were required to work an equivalent of 180 to 300 hours, depending on the regional unemployment rate.²⁹

As part of the government's Budget 2009 temporary initiative, "The extended duration of Employment Insurance (EI) Regular Benefits", the length of time regular benefits can be paid is between 19 and 50 weeks. Once this initiative lapses in September 2010, the duration of benefits will range from 15 weeks to 45 weeks. For new entrants and re-entrants to the labour market, the current duration of regular benefits varies between 22 and 50 weeks.

27 Insurable income can be from full-time or part-time work, whether with one employer or more than one employer.

28 According to section 7(4) of the *Employment Insurance Act*: An insured person is a new entrant or a re-entrant to the labour force if, in the last 52 weeks before their qualifying period, the person has had fewer than 490

(a) hours of insurable employment; (b) hours for which benefits have been paid or were payable to the person, calculated on the basis of 35 hours for each week of benefits; (c) prescribed hours that relate to employment in the labour force; or (d) hours comprised of any combination of those hours.

According to Section 7(4.1) of the *Employment Insurance Act*: An insured person is not a new entrant or a re-entrant if the person has been paid one or more weeks of special benefits referred to in paragraph 12(3)(a) or (b) in the period of 208 weeks preceding the period of 52 weeks before their qualifying period or in other circumstances, as prescribed by regulation, arising in that period of 208 weeks.

29 Dr. Leah Vosko, Canada Research Chair in Feminist Political Economy, York University, *FEWO Evidence*, March 26, 2009 (1150).

2. Special benefits

Four types of special benefits are provided to eligible claimants: sickness, maternity, parental, and compassionate care benefits. In order to qualify for EI special benefits, individuals must have at least 600 hours of insurable employment in the qualification period³⁰ (i.e. in the last 52 weeks or since the last claim). Below is a description of the qualification requirements and benefit entitlements as stipulated in the EI Act and on the Service Canada website:

- Sickness benefits provide income support to those individuals who are unable to work due to illness, injury and quarantine. Claimants receive up to 15 weeks of insurable benefits.
- Maternity benefits are payable to the birth mother or surrogate mother for a maximum of 15 weeks.
- Parental benefits are payable to a 'major attachment claimant' to care for one or more new-born children of the claimant or one or more children placed with the claimant for the purpose of adoption under the laws governing adoption in the province in which the claimant resides. A claimant can receive up to 25 weeks of parental benefits.
- Compassionate care benefits are intended for individuals who have to be absent from work to provide care or support to a gravely ill family member at risk of dying within 26 weeks. These individuals must also show that their regular weekly earnings from work have decreased by more than 40%. A claimant receives six weeks of compassionate care benefits.

The Committee heard from HRSDC departmental officials that “[o]verall, women are net beneficiaries of the EI program, as they receive more in benefits than they contribute in premiums.” In particular, 97% of women working full-time qualify for special benefits. As one departmental witness testified:

Women's access to these EI special benefits, which include maternity and parental, is very high. In fact, 97% of women working full-time qualify for these special benefits.

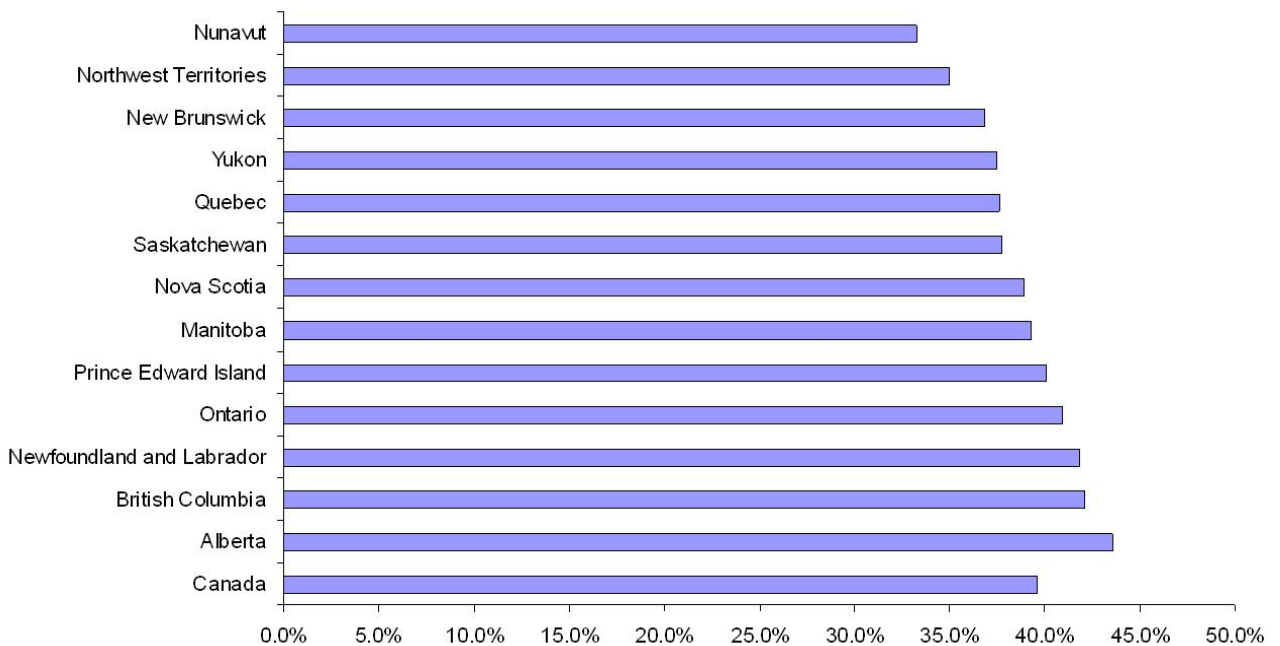
Women accounted for 68% of the special benefit claims and received 84% of the \$3.7 billion paid in special benefits in 2006-2007.³¹

30 Defined as a 'major attachment claimant.'

31 Mr. Paul Thompson, Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Human Resources and Skills Development, *FEWO Evidence*, March 10, 2009 (1110).

However, women are not the net beneficiaries when it comes to regular EI benefits. Mr. Geoff Bowlby, Director of the Labour Statistics Division, Statistics Canada, indicated that in 2008, women made up 39.6% of all regular EI beneficiaries with 192,000 women on average per month receiving regular EI benefits compared to 293,000 men. During the same year, women accounted for 43.5% of total unemployment, with 485,300 unemployed women compared to 631,400 unemployed men. These statistics indicate that women's share of regular EI benefits (39.6%) is lower than their share of the unemployed (43.5%). The female share of all regular EI recipients is lower than men's for all the provinces as shown in Figure 4.

Figure 4: Female Share of All Regular EI Recipients, 2008



Source: Statistics Canada, "The Labour Market Situation for Women in Canada", *FEWO Evidence*, March 3, 2009.

Furthermore, women’s average weekly insurable earnings for special benefits are less than men’s, as Figure 5 demonstrates.

Figure 5: Women and Men’s Average Weekly Insurable Earnings — Special Benefits

Type of Special Benefits	Average Weekly Insurable Earnings (Women)	Average Weekly Insurable Earnings (Men)	Earnings Gap for Women
Parental	\$331.00	\$382.00	- \$51.00
Sickness	\$277.00	\$343.00	- \$66.00
Compassionate Care	\$318.00	\$363.00	- \$44.00

Source: Ms. Barbara Byers, Executive Vice-President, Canadian Labour Congress, *FEWO Evidence*, March 5, 2009 (1110).

E. Extending Access to Self-Employed Individuals

As reported by HRSDC, “[t]he government is now looking at how best to provide self-employed individuals with access to EI, maternity and parental benefits, and is in the process of establishing an expert panel to consult with Canadians on this topic”³² The Committee heard that extending EI benefits and support initiatives to self-employed individuals would generate the problem of moral hazard³³ and this essentially explains why EI coverage has been limited to employed individuals.³⁴

A measure which can be taken to limit the problem of moral hazard would be to extend exclusively EI special benefits to self-employed individuals. The Quebec Parental Insurance Plan (QPIP) has extended its coverage to self-employed individuals for maternity and parental benefits. The Committee heard from several witnesses that QPIP can serve as a possible model for a federal program. In Chapter 3, we will discuss our recommendations for extending coverage for the self-employed.

The QPIP is more generous and offers more flexibility than EI program’s maternity/parental benefits. It also includes paternity benefits for the father. Figure 6 presents an overview of these benefits under the federal and provincial plans.

32 Ms. Janice Charette, Deputy Minister of HRSDC, *FEWO Evidence*, April 2, 2009 (1125).

33 Moral hazard occurs when the behavior of the insured party changes in a way that raises costs for the insurer, since the insured party no longer bears the full costs of that behaviour.

34 Dr. Michael Baker, Professor, Department of Economics, University of Toronto, *FEWO Evidence*, April 2, 2009 (1035).

Figure 6: Maternity and Paternal Benefits under the Employment Insurance Program, the Quebec Basic Plan and the Quebec Special Plan

	Employment Insurance	Quebec Basic plan¹	Quebec Special Plan²
Qualification Requirement	600 hours	\$2,000 earnings	\$2,000 earnings
Basic Replacement Rate	55%	70% for 25 weeks + paternity 55% for 25 weeks	75%
Low-income Replacement Rate	80%	80%	80%
Maximum Yearly Insurable Earnings	\$42,300 (2009)	\$62,000 (2009)	\$62,000 (2009)
Duration	15 weeks maternity 35 weeks parental	18 weeks maternity 32 weeks parental 5 weeks paternity	15 weeks maternity 25 weeks parental 3 weeks paternity
Coverage for Self-Employed Workers	Not covered	Covered	Covered
Waiting Period	2 weeks	None	None

1. Under the basic plan, the future mother could be entitled to a total of 50 weeks of benefits, that is, 18 weeks of maternity benefits and 32 weeks of parental benefits.

2. Under the special plan, the same mother could be entitled to 40 weeks of benefits, that is, 15 weeks of maternity benefits and 25 weeks of parental benefits.

Source: Adapted from Shelley Phipps, "Working for Working Parents. The Evolution of Maternity and Parental Benefits in Canada", *IRPP Choices*, May 2006, Vol. 12, No. 2, p. 10
<http://www.irpp.org/choices/archive/vol12no2.pdf> and QPIP
http://www.rqap.gouv.qc.ca/prestations/index_en.asp.

CHAPTER 2: WOMEN'S LABOUR MARKET REALITIES

The Committee heard from most witnesses that women's labour market experiences and employment patterns are different from those experienced by men. Ms. Armine Yalnizyan noted "[t]hrough women make up 47% of the labour market, generally speaking they are paid much less than men."³⁵ Women tend to work in part-time positions, often in precarious employment.³⁶

Professor Kathleen Lahey explained to the Committee that there are two workforces—one that is a standard employment workforce and the other the non-standard employment workforce:

We have the standard employment workforce, which is substantially male-dominated, however you look at the numbers. Here, men receive 60% of the cash money to be earned and women are left with 40%, and men hold over 60% of the full-time jobs and women have fewer than 40% of the full-time jobs. It's a segregated economy in which women have 69% of the part-time jobs and men have a very small share.³⁷

I. Unemployment Rates, Past Recessions and the Current Recession

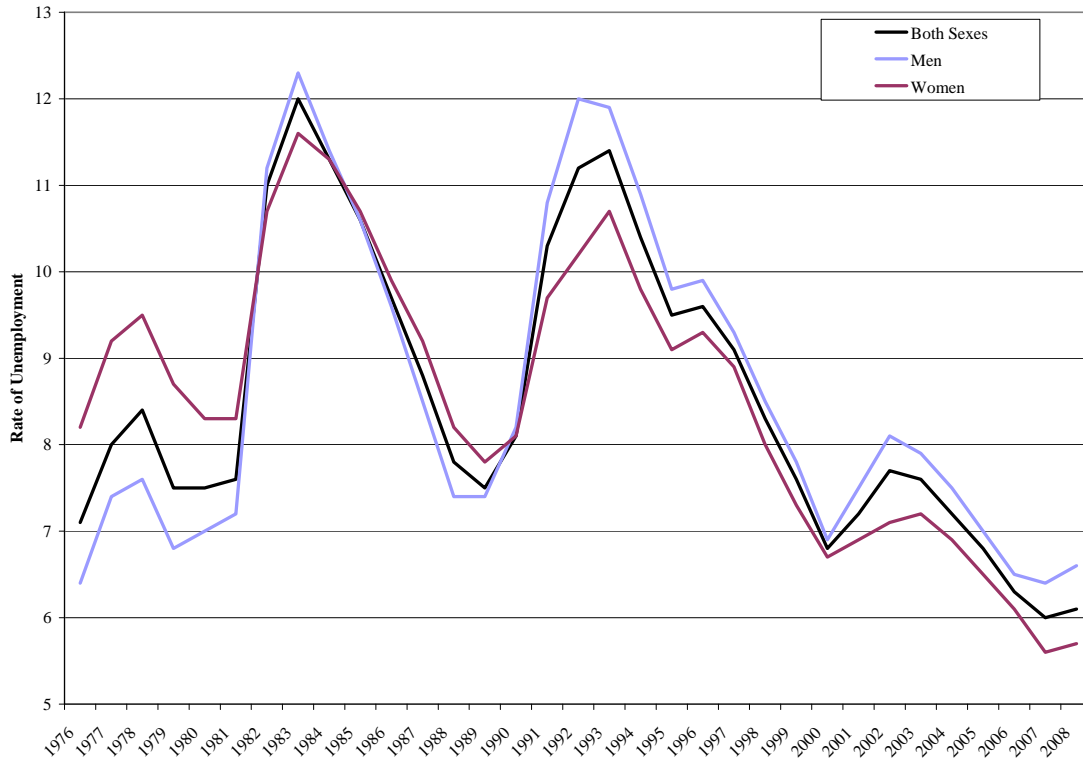
Figure 7 presents the official annual rate of unemployment of men and women between 1976 and 2008. As can be seen, the official annual rate of unemployment of women surpassed that of men in the late 1970s and 1980s, but the annual rate of unemployment of men has consistently surpassed that of women since the year 1990.

35 Ms. Armine Yalnizyan, Senior Economist, Canadian Centre for Policy Alternatives, *FEWO Evidence*, February 24, 2009 (1110).

36 Precarious employment refers to "forms of work involving limited social benefits and statutory entitlements, job insecurity, low wages, and high risks of ill health" (see Leah Vosko, "Gendered Labour Market Insecurities: Manifestation of Precarious Employment," in *Work in Tumultuous Times*, McGill Queen's University Press, 2007.p. 54).

37 Professor Kathleen Lahey, Faculty of Law, Queen's University, *FEWO Evidence*, February 24, 2009 (1125)

Figure 7: Annual Rate of Unemployment, 1976-2008



Source: Statistics Canada, "Labour Force Historical Review", 2008; and the Library of Parliament.

The impact of past economic recessions can also be assessed from this graph and be used in anchoring expectations regarding the impact of the current economic recession. As noted by HRSDC, "[i]f past experience is any guide, it shows that recessions of the 1980s and 1990s saw fewer women than men lose their jobs. This effect was largely related to women's relatively lower representation in the goods-sector industries hardest hit by the recession, such as manufacturing, construction, and primary industries."³⁸

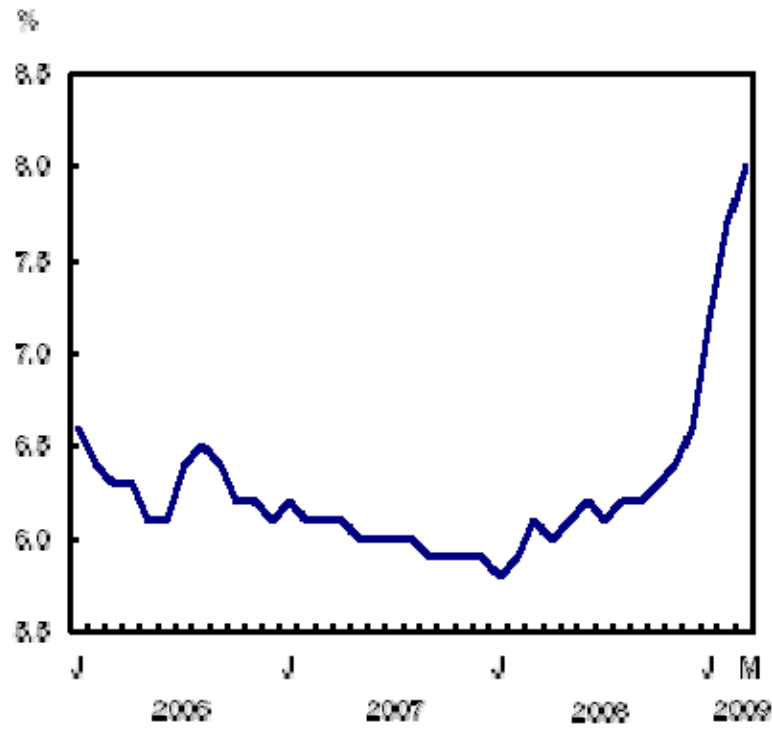
The last two recessions in Canada occurred in 1982 and 1990. The 1982 recession was particularly severe with a drop in Gross Domestic Product (GDP) of approximately 6.7% over a period of 18 months. The milder 1990 recession, which began in the second quarter of 1990, contracted the GDP by approximately 3.2% over the following 12 months. In both recessions, more men lost jobs relative to women, especially in the milder 1990 recession. During the 1982 recession, the annual rate of unemployment increased from 11.2% to 12.3% (increase of 1.1%) and from 10.7% to 11.6% (increase of 0.9%) for men and women respectively between 1982 and 1983. During the 1990 recession, the annual rate of unemployment increased from 8.2% to 10.8% (increase of 2.6%) and from 8.1% to 9.7% (increase of 1.6%) for men and women respectively between 1990 and 1991.

38 Ms. Janice Charette, Deputy Minister of HRSDC, *FEWO Evidence*, April 2, 2009 (1120).

According to the April 9, 2009 Labour Force Survey, employment consistently fell each month since October 2008, with net job losses totalling 357,000 over this period. This represents the largest decline in percentage terms over a five-month period since the 1982 recession. More specifically, full-time employment has declined by 2.8% (loss of 387,000 jobs) while part-time employment has increased by 0.9% (gain of 30,000 jobs).³⁹

As of March 2009, Canada's official rate of unemployment stands at 8.0%. This represents a 1.9 percentage point increase relative to the previous year when Canada's unemployment rate stood at 6.1%. Figure 8 presents the official rate of unemployment between January 2006 to March 2009.

Figure 8
Official Rate of Unemployment, January 2006 to March 2009



Source: Statistics Canada, "Latest Release from the Labour Force Survey", April 9, 2009.

Since the beginning of the current Canadian recession, men have lost significantly more jobs compared to women. The rate of unemployment for men has increased from 6.8% to 9.0% (increase of 2.2%), whereas that of women has increased from 5.7% to 6.8% (increase of 1.1%) between October 2008 to March 2009.

39 Statistics Canada, The Daily, "Latest Release from the Labour Force Survey", April 9, 2009, <http://www.statcan.gc.ca/subjects-sujets/labour-travail/lfs-epa/lfs-epa-eng.pdf>.

According to Ms. Charette, women have experienced 15% of net job losses since October 2008.

Since October 2008, when employment losses really began, women have accounted for only 15% of net job losses, although they represent fully 47% of employment. This pattern is consistent with the current experience we're seeing in the United States and the European Union.⁴⁰

At the same time, older women have seen improvement in their employment⁴¹, as Ms. Charette pointed out:

Older women, 55 years of age and older, have done particularly well so far. They are the only demographic group that has seen an increase in both employment and employment rates since October.⁴²

According to Statistics Canada data, the unemployment rate for women aged 55 years and older has increased from 4.7% in October 2008 to 6.1% in March 2009.⁴³ Individuals who are pursuing training or an education and who are not seeking employment are not considered in the labour force. Please refer to Appendix 5 for definitions.

According to the most recent data available at the time this report was drafted, the number of regular EI beneficiaries stood at 610,200 in February 2009. This represents an increase of 33.7% relative to the previous year and an increase of 7.8% relative to January.

Witnesses noted that in the current recession, less unemployed people will have access to EI benefits since coverage rates have declined:⁴⁴

83% of the unemployed in the last recession were covered by Unemployment Insurance benefits. Between 1989 and 1997, that dropped precipitously from that proportion to 44%. So we are walking into this recession with 43% of the unemployed covered by Unemployment Insurance benefits.⁴⁵

40 Ms. Janice Charette, Deputy Minister of HRSDC, *FEWO Evidence*, April 2, 2009 (1120).

41 Disaggregated data by gender for full-time and part-time workers aged 55 and older are not available.

42 Ms. Janice Charette, Deputy Minister of HRSDC, *FEWO Evidence*, April 2, 2009 (1120).

43 Statistics Canada, Labour Force Survey.

44 However, some members of the Committee note that the beneficiary to contributor ratio has likely increased over the past year given an increase in the number of beneficiaries as reported by Statistics Canada and a decrease in the number of contributors as a consequence of rising unemployment.

45 Ms. Armine Yalnizyan, Senior Economist, Canadian Centre for Policy Alternatives, *FEWO Evidence*, February 24, 2009 (1115).

The Committee heard that even though the statistics indicate that men are losing their jobs in the manufacturing and commodity sectors, the recession will also impact the service sector in which women are predominantly employed on a part-time basis.

You're seeing the effects of men losing their jobs first because they're primarily being thrown out of commodity-producing jobs and manufacturing jobs. But we know that the next wave of job loss will be among women.⁴⁶

Another measure of the unemployment rate compiled by Statistics Canada includes involuntary part-timers—individuals who prefer to work full-time but due to business conditions are unable to find 30 hours or more of work.⁴⁷ Involuntary part-time work tends to increase during periods of economic recession and decrease during periods of economic growth.⁴⁸

Figure 9 presents women's and men's unemployment rates, including involuntary part-timers, between 1997 and 2008.⁴⁹ Women's rate of unemployment surpasses that of men since 1997. It is worth noting that this gap has narrowed in recent years since Canadians have experienced a period of economic growth and lower unemployment rates.

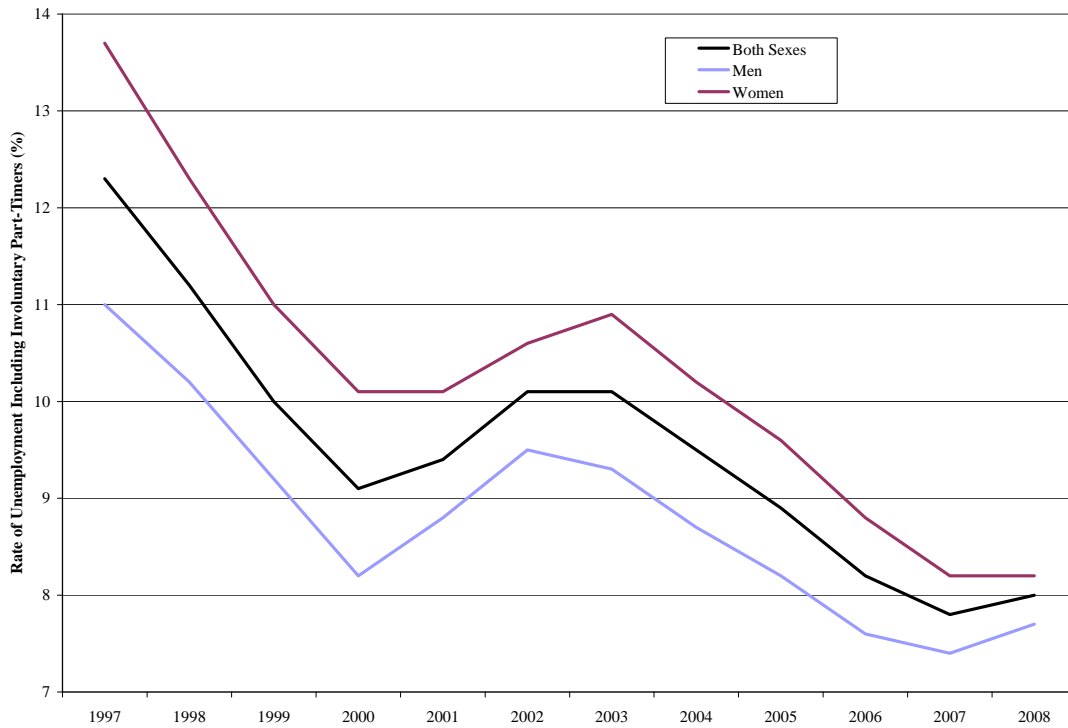
46 Ibid (1110).

47 According to Statistics Canada, involuntary part-timers are individuals who usually work less than 30 hours a week at their main or only job because of poor business conditions or because they could not find work with 30 or more hours in the last four weeks.

48 Grant Schellengerg, "Involuntary part-time workers", *Perception*, Volume 28, Spring/Winter 1995, <http://www.ccsd.ca/perception/183/part-tme.html>.

49 1997 was the first year for which such data was gathered.

Figure 9: Annual Rate of Unemployment Including Involuntary Part-Timers* 1997-2008



* Involuntary part-timers are individuals who usually work less than 30 hours a week at their main or only job because of poor business conditions or because they could not find work with 30 or more hours.

Source: Statistics Canada, "Labour Force Historical Review", 2008; and the Library of Parliament.

The Committee heard that part-time work is a significant factor in explaining why women are less likely than men to qualify for EI benefits and support initiatives.

Furthermore, women from racialized groups, women with disabilities, immigrant and refugee women and Aboriginal women are significantly disadvantaged in the labour market. They tend to experience higher rates of unemployment compared with other Canadian women. In 2006, 13.5% of Aboriginal women were unemployed versus 6.4% of non-Aboriginal women yet the participation rates were nearly the same (59.1% and 61.6% respectively).⁵⁰

50 Submission by the Native Women's Association of Canada, prepared for the First Ministers' Meeting with National Aboriginal Leaders, January 15, 2009, Ottawa, Ontario. Available at: www.nwac-hq.org/en/documents/NWAC%20FMM%20Jan%2015-09.pdf.

As Ms. Marie White, National Chairperson, Council of Canadians with Disabilities, indicated to the Committee, the unemployment rate for women with disabilities is 75%.⁵¹ She noted that people with disabilities live in poverty and are an “underutilized resource” because they are excluded from the labour market.

Many of the people in my community, that of people with disabilities, live in poverty. We know that according to the International Labour Organization the annual loss of global GDP due to exclusion of people with disabilities from the labour market is between, in American dollars, \$1.94 trillion and \$1.73 trillion. So we are an underutilized resource.⁵²

II. Non-Standard Employment Patterns

Non-standard work, such as part-time work, temporary employment and casual employment, encompasses employment patterns that deviate from the standard employment norm. Non-standard work is also described as precarious employment because of the insecurities that are involved in this form of employment.

As many people realize, growing numbers of workers in Canada are working in jobs that offer low wages as well as limited social benefits and statutory entitlements. As we might expect, certain forms of employment are particularly likely to be precarious, such as temporary and part-time paid employment and some varieties of self-employment. Taken together, the distinguishing feature of these forms of employment is that they differ from the traditional norm of the full-time permanent job. This traditional norm never extended to all workers in the past, but was dominant among men, especially white Canadian-born men. While many gender exclusions from this model of employment have been eliminated with formal equality, the full-time permanent job continues to be shaped in profound ways by gender relations.⁵³

As Ms. Lucya Spencer from the Ontario Council of Agencies Serving Immigrants pointed out, a growing number of immigrants and women are employed in part-time and unstable work. In addition, they face “systemic barriers to labour market integration, including racism and discrimination.”⁵⁴ In her testimony, Ms. Spencer described the labour market realities of immigrant and refugee women:

51 Ms. Marie White, National Chairperson, Council of Canadians with Disabilities, *FEWO Evidence*, March 31, 2009 (1135).

52 Ibid.

53 Dr. Leah Vosko, Canada Research Chair in Feminist Political Economy, York University, *FEWO Evidence*, March 26, 2009 (1150).

54 Ms. Lucya Spencer, Ontario Council of Agencies Serving Immigrants, *FEWO Evidence*, March 10, 2009 (1200).

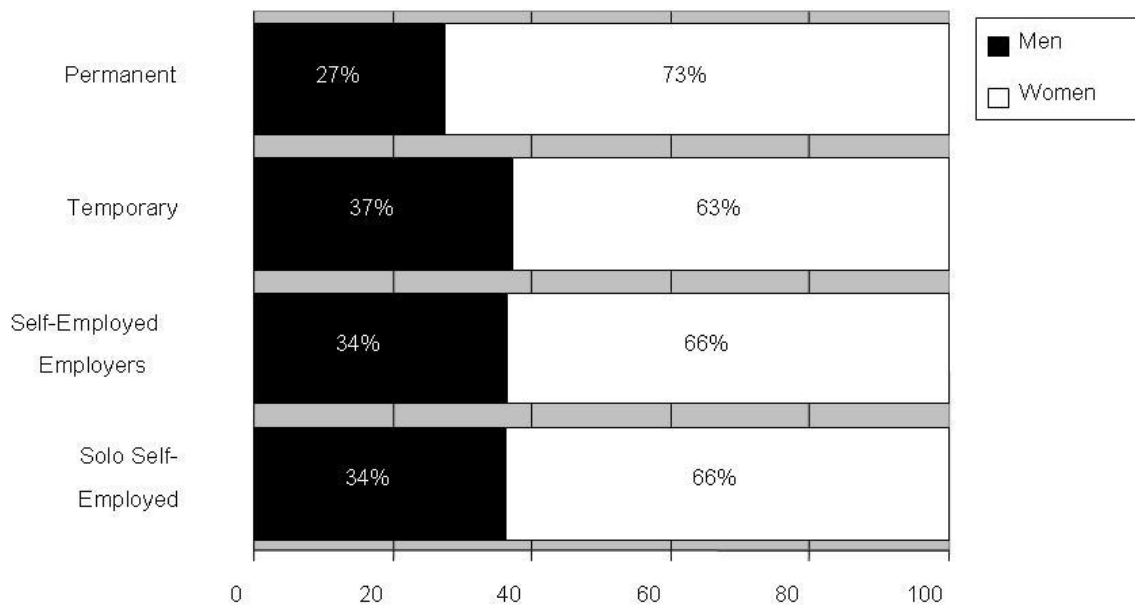
OCASI member agencies have said that most clients get their first jobs in Canada through temporary agencies. Clients remain in temp work for many years, often up to and beyond ten years. Often they work at more than one job at the same time. They are rarely employed in a job that allows them to use their skills and qualifications, particularly those that made them desirable candidates for immigration to Canada, which results in them becoming what we call de-skilled immigrants.⁵⁵

Ms. Marie White informed the Committee that women with disabilities tend to work in non-standard employment and find themselves excluded from employment insurance. She made the following suggestion:

We would suggest that the Government of Canada bring more women, particularly women with disabilities, into standardized employment with social benefits. We would like to improve access for women who have non-standard employment practices.⁵⁶

Figure 10 shows that more women than men work in various forms of part-time employment.

Figure 10: Men’s and Women’s Shares of Selected Forms of Part-time Employment, Canada, 2008*



Source: Custom Tabulation by Leah Vosko from Statistics Canada, Labour Force Survey 2008, Public-use Microdata Files (*Ages 15-64).

55 Ibid (1205).

56 Ms. Marie White, National Chairperson, Council of Canadians with Disabilities, *FEWO Evidence*, March 31, 2009 (1140).

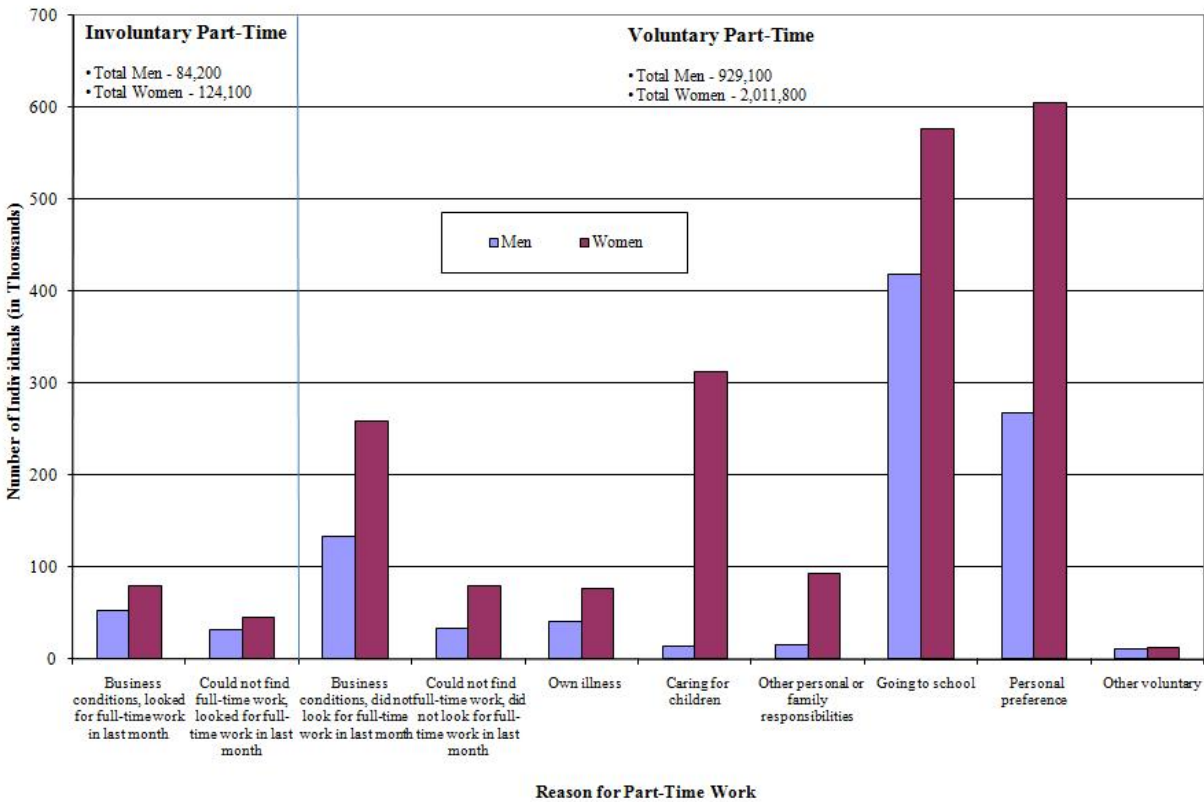
A. Women and Part-time Employment

For many individuals, part-time work may be an attractive employment option since they can combine paid employment with various activities such as caregiving, attending school or leisure pursuits. Statistics Canada's Labour Force Survey identifies the main reasons for voluntary and involuntary part-time employment as:

- 1) Own illness or disability
- 2) Caring for own children
- 3) Caring for elder relative (60 years of age or older)
- 4) Other personal or family responsibilities
- 5) Going to school
- 6) Business conditions
- 7) Could not find work with 30 or more hours per week
- 8) Other reasons.

Figure 11 presents the number of involuntary and voluntary part-timers by reason for working part-time (i.e. less than 30 hours a week at main or only job) for 2008. Note that in Statistics Canada's Labour Force Survey questionnaire, respondents who usually worked less than 30 hours per week at their main or only job are asked for the main reason for working part-time. Those individuals who answer for 'business conditions' or 'could not find work with 30 or more hours' are then asked if they sought full-time employment in the last four weeks. Those who sought full-time employment in the last four weeks are considered to be 'involuntary part-timers' and those who have not sought full-time employment in the last four weeks are considered to be 'voluntary part-timers'. As shown in this figure, women outnumber men for all reasons for involuntary and voluntary part-time employment (See Appendix 5 for additional information on the Labour Force Survey).

Figure 11: Involuntary and Voluntary Part-Time Employment by Reason of Part-time Work by Sex, 2008



Source: Statistics Canada, “Labour Force Historical Review”, 2008; and the Library of Parliament.

Dr. Tammy Schirle, Assistant Professor of Economics at Wilfrid Laurier University, shared with the Committee her research findings. She noted that women, as rational decision-makers, choose to work part-time and that only 9% are involuntarily working part-time.

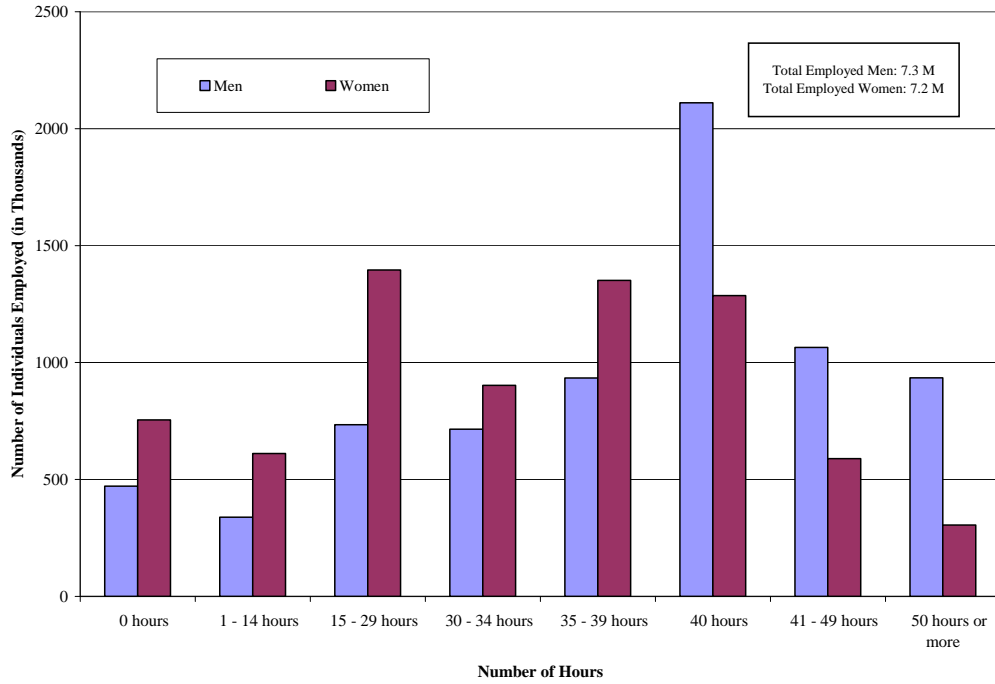
Note that only a small portion of women working part-time jobs do so involuntarily. Within my sample of unemployed individuals in the Employment Insurance Coverage Survey, only 9% of those women are involuntarily part-time.⁵⁷

It is important to note that persons who work part-time because of child care are considered, by the Labour Force Survey, to be doing so voluntarily.

57 Dr. Tammy Schirle, Assistant Professor, Department of Economic, Wilfrid Laurier University, *FEWO Evidence*, April 2, 2009 (0940).

Figure 12 supports the finding that more women than men work part-time.

Figure 12: Actual Hours Worked for Employed Individuals by Sex, 2008

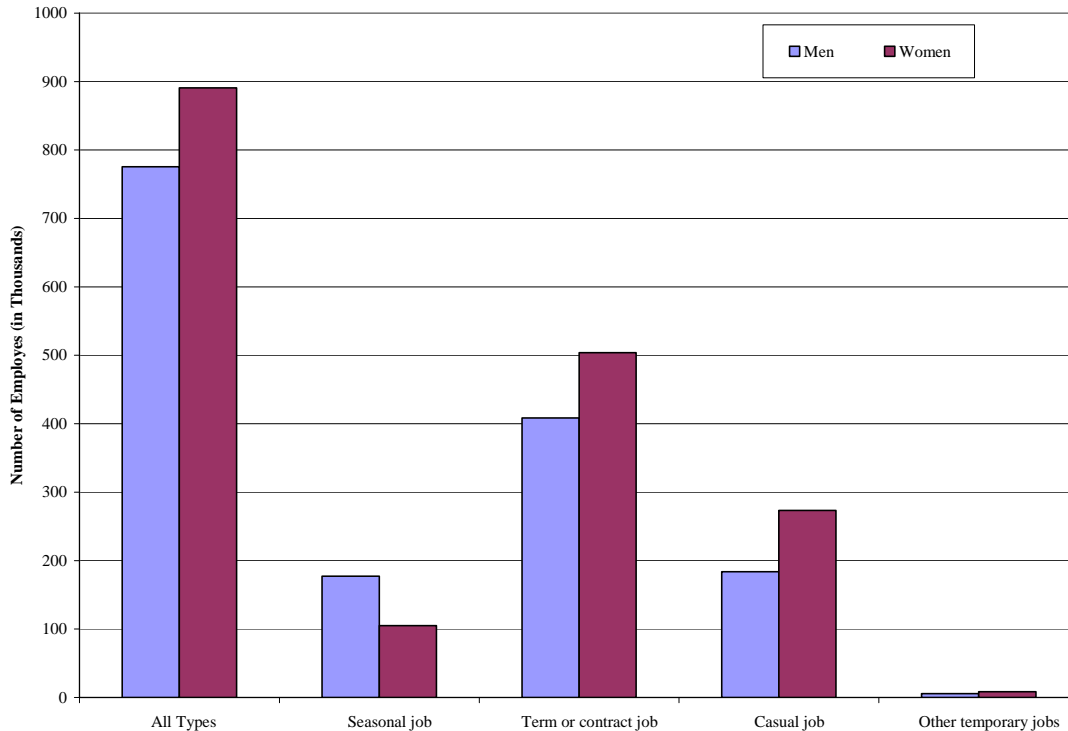


Source: Statistics Canada, "Labour Force Historical Review", 2008; and the Library of Parliament.

B. Women and Temporary Employment

Women's labour market realities are further exacerbated by the fact that women are more likely to be performing temporary employment. Figure 13 presents temporary employment by type of employment and by gender for December 2008.

Figure 13: Temporary Employment by Type of Employment and by Sex, December 2008



Source: Statistics Canada, "Labour Force Historical Review", 2008.

As Dr. Vosko noted in her testimony,

When temporary forms of employment are broken down by type, a set of additional gender patterns surfaces. In 2008 men held the majority of seasonal jobs, segments of which have historically been protected more than other types of temporary employment. In contrast, women dominated in casual employment, much of which is part-time and characterized by high levels of uncertainty and income insecurity.⁵⁸

Please refer to Appendix 5 for definitions of voluntary and involuntary workers.

58 Dr. Leah Vosko, Canada Research Chair in Feminist Political Economy, York University, *FEWO Evidence*, March 26, 2009 (1150).

C. Women's Earnings

When considering women's overall labour market situation, it is important to account for women's earnings. For example, 56% of self-employed women earn less than \$20,000 per year compared with 49% of men.⁵⁹

At the same time, the gender wage gap still exists for Canadian women. As the Committee heard from Ms. Charette:

[W]omen still earn less than men in Canada: on an hourly basis, women now earn 84%, on average, of the hourly earnings of men. However, the hourly earnings gap has narrowed since 2000, in part due to rising educational attainment among women. [...] Nevertheless, the overall gender wage gap for Canada (21%) exceeded the OECD [Organization for Economic Co-operation and Development] average (18%) in 2006. This remains obviously an ongoing source of concern and consideration.⁶⁰

The Committee heard that there is a growing income gap between racialized and non-racialized residents of Canada. As Ms. Spencer indicated:

[T]he National Working Group on Women and Housing reports that "35% of all women who immigrated to Canada between 1991 and 2000 live in poverty and 37% of all racialized women live in poverty."⁶¹

Both women's earnings and the gender wage gap impact the amount of insurable earnings that women end up receiving under the EI program. As noted in Chapter 1, there is a gap between women's and men's average insurable earnings for both regular and special benefits.

59 Statistics Canada, Survey of Labour and Income Dynamics, 2006, Public-use Microdata Files (Evidence submitted by Dr. Leah Vosko, March 26, 2009).

60 Ms. Janice Charette, Deputy Minister of HRSDC, *FEWO Evidence*, April 2, 2009 (1115).

61 Ms. Lucya Spencer, Ontario Council of Agencies Serving Immigrants, *FEWO Evidence*, March 10, 2009 (1200).

D. Choice and Women's Part-Time Work

Ms. Carole Vincent informed the Committee that women's choices are constrained given their caregiving and family responsibilities and lack of access to affordable childcare.

It is difficult to talk about personal choice for part-time work. It depends on the circumstances. If this choice was made because there were no employment opportunities in the region, we could perhaps describe the situation as a little more involuntary. However, the concept of voluntary choice for part-time work is quite vague. When there are family constraints and a lack of adequate and affordable daycare, to what extent are these choices voluntary? That is debatable.⁶²

Ms. Barbara Byers, Executive Vice-President with the Canadian Labour Congress pointed out that women work in two or three part-time jobs in order to have the equivalence of one full-time job:

[W]e have women holding down two and three part-time jobs. Are those women voluntarily working two and three part-time jobs? No, they're trying to get one full-time income out of a variety of part-time jobs. Part-time work means full-time poverty.⁶³

The Committee heard from Mrs. Micheline Dépatie about her experiences working in part-time employment and the lack of opportunities for full-time employment:

It is wrong to say that we choose to work part-time. If I had the choice, I would certainly return to working full-time, and today I would have a fat salary and I would be living the good life, which I no longer have the means to do. It is but a small proportion of people who choose to work part-time. I do not believe that single parent women who are having trouble making ends meet and who are holding down two or three jobs when they are able to are making this choice.⁶⁴

The Committee is concerned that the testimony it heard on women's labour market realities and experiences are not being adequately researched and reflected in statistical data. The Committee believes there is a need for additional information to be collected on the status of women both in and out of the labour force.

62 Ms. Carole Vincent, Senior Research Associate, Social Research and Demonstration Corporation, *FEWO Evidence*, April 2, 2009 (1010).

63 Ms. Barbara Byers, Executive Vice-President, Canadian Labour Congress, *FEWO Evidence*, March 5, 2009 (1150).

64 Mrs. Micheline Dépatie, Representative, Conseil national des chômeurs et chômeuses, *FEWO Evidence*, March 5, 2009 (1220).

RECOMMENDATION 2:

The Committee recommends that Statistics Canada conduct an in-depth study, together with experts, on the status of women in the labour market and on the status of women who are not part of the labour force.

RECOMMENDATION 3:

The Committee recommends that Human Resources and Skills Development Canada request statistics on voluntary reasons for leaving employment or working part-time or not entering the paid workforce that is gender disaggregated by age group 15 years and older.

RECOMMENDATION 4:

The Committee recommends that Statistics Canada's Labour Force Survey provide a full breakdown by gender and age category 15 years and older and including full-time and part-time employment, and that the data be coordinated with Employment Insurance data so that monthly releases reveal exactly what numbers and percentages of male and female workers in every category: unemployed/former full-time, unemployed/ former part-time who receive Employment Insurance benefits plus the total Employment Insurance earnings received in each category and average Employment Insurance earnings per worker.

CHAPTER 3: EFFECTS OF THE EI PROGRAM ON WOMEN

This chapter elaborates on the effects of the EI program on women. It recommends improvements and reforms to be made to the EI program that address the main issues raised by the witnesses.

Based on the testimony that we heard, the Committee is aware that the EI program can impact women both positively and negatively. The EI program's special benefits provide women and men with the opportunity to stay at home to care for their newborn or to care for a dying relative. However, witnesses have testified that the EI program inadvertently discriminates against women because it is designed to provide income support for the full-time, permanent worker. According to one witness, "[o]ne has to be very careful to avoid implicit gender biases in the parameters of the program."⁶⁵

The key thing that has changed is that over the years the employment insurance system in Canada has been increasingly restricted to what we could call the standard employment model. It presupposes that everybody who works for money works in standard employment—a full-time permanent job with full benefits, 12 months a year, going on forever into the future or until something better comes along.⁶⁶

The majority of the witnesses recommended that the EI program be improved and reformed so as to respond to women's labour market realities and their caregiving and family responsibilities. Other witnesses indicated that the EI program should not be changed and that other solutions be sought in order to address barriers women face in accessing EI. For example, Dr. Schirle pointed out that policies that improve women's access to full-time permanent jobs such as employment equity programs and pay equity program are a more appropriate policy action to address women's precarious employment conditions.⁶⁷

In addition, Dr. Schirle warned the Committee that modifying EI program rules to accommodate the needs of women in precarious employment may "create an incentive for men and women to take on less secure employment and develop a long-term dependency on the EI program." She also noted that it may make the program more expensive.⁶⁸

65 Dr. Martha MacDonald, Professor, Economics Department, Saint Mary's University, *FEWO Evidence*, April 2, 2009 (0925).

66 Kathleen Lahey, Faculty of Law, Queen's University, *FEWO Evidence*, February 24, 2009 (1125).

67 Dr. Tammy Schirle, Assistant Professor, Department of Economic, Wilfrid Laurier University, *FEWO Evidence*, April 2, 2009 (0940).

68 Ibid.

Because of the overwhelming demand for EI program reform that was voiced by witnesses, the Committee proposes several improvements to the EI program.

I. The Effects of the Current EI System on Women

With the enactment of the *Employment Insurance Act* in 1996, eligibility requirements were changed from a weeks-based system to an hours-based system. Witnesses repeatedly pointed to the negative effects that this switch had on part-time workers, particularly on women who predominate in this form of employment.

Mr. Neil Cohen, Executive Director, Community Unemployed Help Centre⁶⁹, and Ms. White⁷⁰ quoted the Umpire's ruling in the Kelly Lesiuk case in order to demonstrate the discriminatory impact that the hours-based system has on part-time workers:

In my view, the eligibility requirements demean the essential human dignity of women who predominate in the part-time labour force because they must work for longer periods than full-time workers in order to demonstrate their workforce attachment.... Since women continue to spend approximately twice as much time doing unpaid work than men, women are predominantly affected. Thus, the underlying message is that, to enjoy equal benefit of the law, women must become more like men by increasing their hours of paid work, notwithstanding their unpaid responsibilities.⁷¹

[HON. R. E. SALHANY, Q.C., UMPIRE]

Many immigrant and refugee women are employed in part-time work and cannot meet the minimum qualification requirements under the hours-based system. Ms. Spencer noted the following:

It is deeply troubling that the majority of immigrant women who pay into the EI fund cannot access benefits. Neither can they access training opportunities that are tied to EI eligibility.⁷²

69 "Community Unemployed Help Centre Brief to the House of Commons Standing Committee on the Status of Women", March 31, 2009, FEWO Evidence.

70 Ms. Marie White, National Chairperson, Council of Canadians with Disabilities, *FEWO Evidence*, March 31, 2009 (1135).

71 *Lesiuk v. Canada* (March 22, 2001), CUB 51142 <http://www.ae-ei.gc.ca/policy/appeals/cubs/50000-60000/51000-51999/51142e.html>, Ms. Marie White, National Chairperson, Council of Canadians with Disabilities, *FEWO Evidence*, March 31, 2009 (1135).

72 Ms. Lucya Spencer, Ontario Council of Agencies Serving Immigrants, *FEWO Evidence*, March 10, 2009 (1205).

The Committee is aware that Budget 2009 invests \$500 million over two years in a Strategic Training and Transition Fund to support individuals who do not qualify for EI training, such as the self-employed or those who have not been in the labour force for a prolonged period of time.

A. Effect on the Part-Time Worker versus the Full-Time Worker

Dr. Rose-Lizée illustrated how the EI system does not address the needs of women who work part-time or in precarious employment. She noted that a typical male worker who works 40 hours a week requires 16 weeks to qualify for EI. In contrast, a typical female part-time worker who works 15 hours a week requires 42 weeks to qualify for EI benefits.

Figure 14: Example of Number of Insurable Weeks Needed to Qualify for EI Regular Benefits for a Hypothetical Full-Time and Part-Time Employee

Employee	Regional Rate of Unemployment (%)	Required Number of Hours of Insurable Employment in Qualifying Period	Number of Hours Worked During the Week	Number of Insurable Weeks Needed
Full-time	7.2	630	40	16
Part-time	7.2	630	15	42

Source: Information compiled by Committee analysts based on witness testimony.

B. Minimum Qualification Requirements

Under the weeks-based system, a worker was required to have a minimum of 12 to 20 weeks of insurable employment to qualify for regular benefits, depending on the regional rate of unemployment. Because the minimum insurability requirement entailed at least 15 hours of work per week, the minimum qualification requirements ranged from 180 to 300 hours, depending on the regional unemployment rate (Please refer to Appendix 3, Required Number of Weeks of Insurable Employment).

For example, a part-time worker employed in Toronto would have needed 18 weeks of insurable employment with a minimum of 15 hours of work a week to qualify for insurance benefits. This worker would have been able to qualify for regular benefits with only 270 hours of work. As the example in Figure 14 illustrates, a part-time worker in the service sector who works 29 hours a week for 18 weeks would have accumulated 522 hours of work during the qualifying period. Likewise, a part-time worker in the grocery sector who works 25 hours a week for 18 weeks would have accumulated 450 hours during the qualifying period. Under the weeks-based system, both workers would have qualified for regular benefits, having met the minimum qualification requirement of 270 hours.

**Figure 15: Weeks-Based System for Minimum Qualification Requirements
Hypothetical Example**

Employee	Regional Rate of Unemployment Ex. Toronto (%)	Required Number of Weeks of Insurable Employment in Qualifying Period	Number of Hours Worked During the Week	Number of Hours Worked during Qualifying Period
Service Sector	7.2%	18	29	522
Grocery Sector	7.2%	18	25	450

Source: Information compiled by committee analysts based on witness testimony.

Under the hours-based system, workers need a minimum of 420 to 700 hours of insured work to qualify, depending on the regional rate of unemployment. To meet the minimum qualification requirements under the hours-based system, women therefore need to work more hours than under the weeks-based system. Using the same example stated above, Figure 16 shows that the part-time service sector worker and grocery sector worker employed in Toronto now need 630 hours of work to qualify for EI benefits. With the same number of hours worked, the service sector worker needs 22 weeks of insurable earnings and the grocery sector worker needs 25 weeks of insurable earnings to qualify for regular benefits.

**Figure 16: Hours -Based System for Minimum Qualification Requirements
Hypothetical Example**

Employee	Regional Rate of Unemployment Ex. Toronto (%)	Required Number of Hours of Insurable Employment in Qualifying Period	Number of Hours Worked During the Week	Number of Insurable Weeks Needed
Service Sector	7.2%	630	29	22
Grocery Sector	7.2%	630	25	25

Source: Information compiled by committee analysts based on witness testimony.

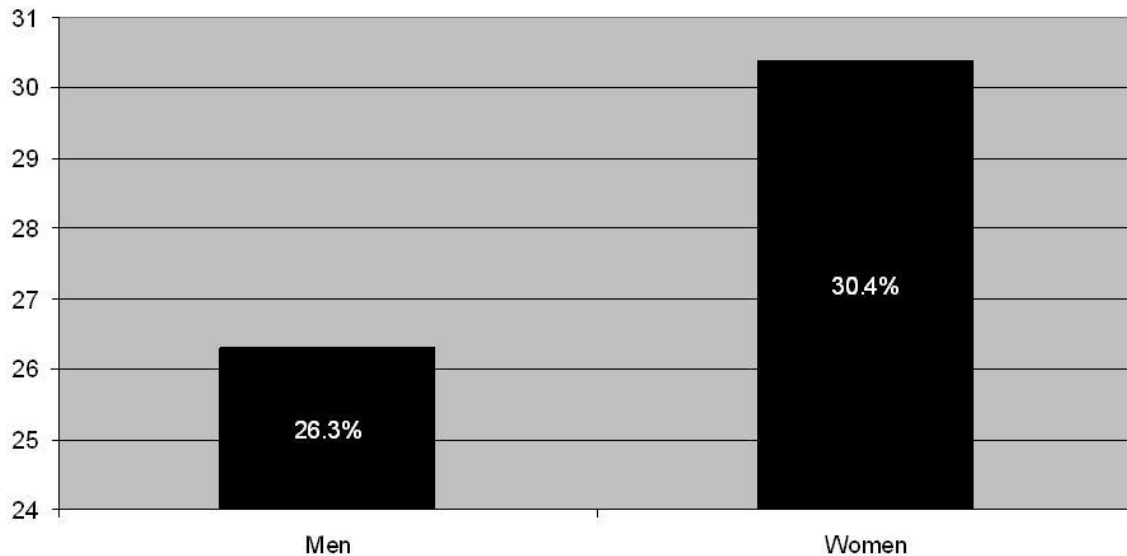
C. Duration of Benefits and People Who Have Exhausted their Benefits

The Committee heard that even though part-time workers are working for a longer period of time, the duration of payable benefits is less under the hours-based system compared to the weeks-based system.⁷³ The hours-based qualification system has the effect of putting women in a situation where they are more likely to exhaust their EI benefits. The Committee heard from several witnesses, including Ms.Charette, Deputy Minister at HRSDC, that in 2005-2006, 30.4% of women exhausted the benefits they were

73 Appendix 2 and Appendix 4 provide the Table of Weeks of Benefit under EI and UI, respectively.

entitled to receive compared with 26.3% of men (see Figure 16).⁷⁴ She noted that the additional five week duration of EI benefits is intended to address the exhaustion of benefits.⁷⁵

Figure 17: Percentage of Regular EI Beneficiaries who Exhaust their Benefits, by Sex, 2005/06



Source: Employment Insurance Monitoring Assessment Report, 2005-2006 (Evidence submitted by Dr. Leah Vosko, March 26, 2009).

According to the *2008 EI Monitoring and Assessment Report*, a larger proportion of women than men exhaust their benefits due to the fact that women, on average, are entitled to fewer weeks of benefits (29.9, versus 26.5 for men), since women generally have fewer hours of insurable employment.⁷⁶

Dr. Vosko explained to the Committee that even with the additional five weeks of benefits, the duration of benefits is still lower than what was available under the weeks-based system (please refer to Appendix 4, Table of Weeks of Benefit, *Unemployment Insurance Act*).

74 Ms. Janice Charette, Deputy Minister of HRSDC, *FEWO Evidence*, April 2, 2009 (1135).

75 Ibid.

76 HRSDC, 2008 EI Monitoring and Assessment Report, http://www.rhdcc.gc.ca/eng/employment/ei/reports/eimar_2008/index.shtml.

But if we take the case of a grocery store worker again, a grocery store worker in this region with an average of 25 hours a week and steady work for a full 52 weeks before the layoff—so 1,300 insured hours—is eligible for a maximum of 31 weeks of benefits until September 2010, and after that the duration declines to 26 weeks. This worker would have been eligible for up to 40 weeks under the pre-existing weeks system.⁷⁷

In the example shown in Figure 18 and Figure 19, the maximum number of weeks payable for regular benefits is less under the hours-based system even with the extended five weeks of benefits that is in effect until September 2010. This means that given women’s labour market realities, the 2009 benefit entitlement under EI is relatively less than that afforded to women prior to the EI reform of the 1990s.

Figure 18: Hours-Based System — Duration of Benefits Hypothetical Example

Employee	Regional Rate of Unemployment Ex. Toronto (%)	Required Number of Hours of Insurable Employment in Qualifying Period	Number of Hours Worked in the Last 52 Weeks—25 Hours/ Week	Maximum Number of Weeks Payable for Regular Benefits—Until Sept. 2010	Maximum Number of Weeks Payable for Regular Benefits—after Sept. 2010
Grocery Sector	7.2%	630	1300	31 (26 + 5)	26

Source: Information compiled by committee analysts based on witness testimony.

Figure 19: Weeks-Based System — Duration of Benefits Hypothetical Example

Employee	Regional Rate of Unemployment Ex. Toronto (%)	Required Number of Weeks of Insurable Employment in Qualifying Period	Number of Weeks Worked	Maximum Number of Weeks Payable for Regular Benefits
Grocery Sector	7.2%	18	52	40

Source: Information compiled by committee analysts based on witness testimony.

The Committee also heard that many women will not benefit from the additional duration of EI benefits since they do not meet the minimum qualification requirements

77 Dr. Leah Vosko, Canada Research Chair in Feminist Political Economy, York University, *FEWO Evidence*, March 26, 2009 (1215).

D. Calculation of Benefits

Under the hours-based system, many part-time workers were insured for the first time. However, many are unable to qualify for benefits. Dr. Leah Vosko noted that in 2004, 76% of unemployed workers who had previously worked part-time contributed to EI but less than 20% of these contributors received benefits. For full-time workers, 81% contributed to EI but only 55% received benefits.⁷⁸

Ms. Carole Vincent informed the Committee that not every hour worked is treated equally under the rules of the EI program.

The major reform of 1996 introduced what is called an hour-based system; however, not every hour of work is treated equally under EI. The EI rules, which are quite complex, give rise to major disparities—and some may call them inequities—in the extent to which workers who pay premiums into the program can benefit from it. Workers who have work patterns or work schedules that best fit the EI rules for eligibility and calculation of benefits will benefit more from EI.⁷⁹

This is especially apparent when the divisor rule is applied to calculating average weekly earnings. According to Dr. MacDonald and other witnesses, the rule contributes to decreasing a claimant's average weekly earnings and penalizes those with irregular or fluctuating earnings.⁸⁰ (Please refer to Appendix 2, Table of Weeks of Benefits, *Employment Insurance Act*).

The formula, basically, for calculating average earnings should be neutral with regard to the timing of work. It shouldn't be rewarding one work pattern and penalizing another.⁸¹

78 Dr. Leah Vosko, "Presentation to House of Commons Standing Committee on the Status of Women", *FEWO Evidence*, March 26, 2009.

79 Ms. Carole Vincent, Senior Research Associate, Social Research and Demonstration Corporation, *FEWO Evidence*, April 2, 2009 (0945)

80 Dr. Martha MacDonald, Professor, Economics Department, Saint Mary's University, *FEWO Evidence*, April 2, 2009 (0925).

81 *Ibid.* (0930).

As Dr. MacDonald pointed out in a recession both full-time and part-time work should be equally protected and “the parameters of the program should not favour the person who was working in a full-time context.”⁸²

On the issue of whether part-time should be equally protected to full-time, even if somebody chose part-time because they wanted to be home with their children, if that job then disappears in the recession, like a full-time job might disappear or a part-time job might disappear, is there any reason why that part-time person should have less likelihood of qualifying for income replacement?⁸³

HRSDC has a pilot project in place that calculates EI benefit rates based on the highest 14 weeks of insurable earnings over the last 52 weeks. The project is designed to encourage unemployed workers to accept various forms of employment in regions where unemployment rates are 8% or above.⁸⁴ This project may alleviate the inequities that arise between the valuation of part-time and full-time insurable earnings and may result in improved average weekly earnings for the claimant. The *2008 EI Monitoring and Assessment Report* stated that “preliminary results indicate that claimants who received higher weekly benefits due to the Best 14 Weeks pilot project were mainly youth, women, part-time workers, low-skilled workers and workers in low-income families.”⁸⁵

Another concern raised by witnesses involves the calculation of benefits under the Variable Entrance Requirements (VER). HRSDC informed the Committee that these adjustments to the regional unemployment rate “allow for a certain measure of automatic responsiveness to local job markets.”⁸⁶ Some witnesses believed the VER to be inequitable. Mr. Battle explained in his testimony:⁸⁷

[A]n unemployed person is an unemployed person, whether they live in a low-unemployment area or a high-unemployment area, as far as I'm concerned. I don't know how you can tell. You know, the premiums aren't based on unemployment regions. We don't have variable premiums that we pay to support it; we all pay the common premium, of course. But what you get at the end of it depends upon where you live.⁸⁸

82 Ibid (1025).

83 Ibid.

84 *The Gazette*, “Regulations Amending the Employment Insurance Regulations,” September 4, 2008, <http://gazette.gc.ca/rp-pr/p2/2008/2008-09-17/html/sor-dors257-eng.html>, accessed April 13, 2009.

85 HRSDC, EI Monitoring and Assessment Report, http://www.hrsdc.gc.ca/eng/employment/ei/reports/eimar_2008/chapter5_2.shtml#_ftnref42.

86 Mr. Paul Thompson, Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Human Resources and Skills Development, *FEWO Evidence*, March 10, 2009 (1110).

87 Variable entrance requirements for the period of April 12, 2009 to May 09, 2009 can be found at this HRSDC website: http://srv129.services.gc.ca/eiregions/eng/rates_cur.aspx.

88 Mr. Ken Battle, President, Caledon Institute of Social Policy, *FEWO Evidence*, March 5, 2009 (1200).

II. Proposed Reforms

A. Uniform Qualification Requirements

The majority of the witnesses recommended that a uniform qualification requirement of 360 hours be put in place for both regular and special benefits. Such a measure addresses the exclusion of part-time workers, predominantly women, from the EI program. It provides them with access to EI benefits by reducing the number of insurable hours needed to qualify. A uniform qualification requirement also addresses the inequities that exist under the Variable Entrance Requirements.

Figure 20: Example of Number of Insurable Weeks Needed to Qualify for EI Regular Benefits with a Uniform Requirement of 360 Hours

Employee	Required Number of Hours of Insurable Employment in Qualifying Period	Number of Hours Worked During the Week	Number of Insurable Weeks Needed
Full-Time	360	30	12
Part-time	360	15	24

Source: Information compiled by committee analysts.

RECOMMENDATION 5:

The Committee recommends that Human Resources and Skills Development Canada implement a uniform 360-hour qualification requirement, irrespective of regional unemployment rates or the type of benefit. This would establish that Employment Insurance is available to part-time workers.

B. Changing Qualification Requirements from Hours to Weeks

Even though the Committee endorses an hours-based qualification requirement, the Committee heard from several witnesses that the EI program should be returned to a weeks-based qualification requirement. As discussed above, the hours-based system has had a negative impact on part-time workers both in terms of access and duration of benefits.

RECOMMENDATION 6:

The Committee recommends that:

- **Human Resources and Skills Development Canada examine the impact of returning to a weeks-based qualification requirement given that the current hours-based qualification requirement unfairly discriminates against women who work in precarious employment and in part-time work.**
- **Human Resources and Skills Development Canada report its findings to Parliament by January 2010.⁸⁹**

C. Extending Benefits Duration

As noted in Chapter 1, the federal government has recently introduced a temporary measure to extend regular benefit entitlement from 45 to 50 weeks. Several witnesses recommended that such a measure should become permanent since it would help unemployed workers, particularly those in non-standard work, who are at risk of exhausting their benefits.

RECOMMENDATION 7:

The Committee recommends that the maximum benefit entitlement for regular benefits be extended to 50 weeks on a permanent basis and that additional weeks of entitlement should be considered by Human Resources and Skills Development Canada.

RECOMMENDATION 8:

The Committee recommends that:

- **Human Resources and Skills Development Canada develop a measure showing the percentage of Employment Insurance beneficiaries who have exhausted their benefits and who become long-term unemployed are applying for social assistance;**

89 Liberal Party members voted against this recommendation.

- **That this measure be disaggregated by full-time/part-time, male/female, and age category 15 years and up; and**
- **That this measure be coordinated with the provinces /territories using the same indicators.**

D. Waiting period

According to the EI Act⁹⁰, all claimants are not entitled to be paid benefits until they have served a two-week waiting period. This applies to all types of EI benefits.

The Committee heard that the waiting period should be eliminated for both regular and special benefits. The Committee heard from several witnesses that the two-week waiting period for special benefits claims should be eliminated. For example, Ms. Sue Calhoun, President, Canadian Federation of Business and Professional Women's Clubs, noted the following:

Currently, to access EI maternity/parental benefits, you have a two-week waiting period. I'm not sure what that's all about, and I know a lot of people have said the same thing to you: what is that two-week waiting period all about anyway, especially in a situation when you're getting maternity/parental benefits....⁹¹

The Committee is aware that this waiting period is in place as a basic co-insurance feature of the program that is similar to the deductible for other insurance plans.⁹² HRSDC has informed us that the waiting period serves an administrative purpose as it allows for the processing and verification of claims, and eliminates very short claims which would be relatively costly to administer.⁹³ However, given the concerns raised by witnesses,

RECOMMENDATION 9:

The Committee recommends that the two week waiting period be eliminated for all benefits.

90 *Employment Insurance Act*, 13.

91 Ms. Sue Calhoun, President, Canadian Federation of Business and Professional Women's Clubs, *FEWO Evidence*, March 26, 2009 (1230).

92 Government of Canada, *Government Response to the Fifth Report of the Standing Committee on the Status of Women*, "Interim Report on the Maternity and Parental Benefits under Employment Insurance: the Exclusion of Self-Employed Workers", September 18, 2006, <http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=2335206&Language=E&Mode=1&Parl=39&Ses=1>.

93 *Ibid.*

E. Maximum Rate of Weekly Benefits

The majority of witnesses recommended that the benefit rate should be raised from 55% of average weekly insurable earnings to 60% or more. Ms. Lucille Harper, Executive Director, Antigonish Women's Resource Centre, recommended that the "EI is set at a rate that is no lower than 10% of the low-income cutoff for any given region."⁹⁴

The Committee heard that the current average weekly earnings are insufficient and for some women, places them below the poverty line.⁹⁵

RECOMMENDATION 10:

The Committee recommends that Human Resources and Skills Development Canada increase the benefit rate from 55% to 60% or more of average weekly insurable earnings for both regular and special benefits.

F. Calculation of Average Weekly Insurable Earnings and Divisor Rule

As noted above, several witnesses indicated that they were unhappy with the divisor rule⁹⁶ used to calculate average weekly earnings and its effects on women. These witnesses preferred that the divisor rule be removed since it unfairly penalizes women in non-standard employment. As noted earlier, the rule contributes to decreasing a claimant's average weekly earnings and penalizes those with irregular or fluctuating earnings.⁹⁷ Several witnesses recommended that the best 12 weeks within the whole qualifying period be used as the reference period for determining average weekly insurable earnings. At the same time, the Committee is aware that HRSDC has in place a 'Best 14 Weeks' pilot project. Preliminary results reveal women were among the claimants who received higher weekly benefits. Therefore,

94 Ms. Lucille Harper, Executive Director, Antigonish Women's Resource Centre, *FEWO Evidence*, March 31, 2009 (1105).

95 Mr. Ken Battle, President, Caledon Institute of Social Policy, *FEWO Evidence*, March 5, 2009 (1125).

96 As explained earlier in Chapter 1, average weekly insurable earnings are calculated over the larger of the following two divisors: the number of weeks in which a claimant had earnings in the last 26 weeks of the qualifying period (also called the maximum rate calculation period) or the divisor (i.e. 14 to 22 depending on the regional rate of unemployment).

97 Dr. Martha MacDonald, Professor, Economics Department, Saint Mary's University, *FEWO Evidence*, April 2, 2009 (0925).

RECOMMENDATION 11:

The Committee recommends that the government, based on the preliminary results of the ‘Best 14 Weeks’ pilot project, adopt a new rate of calculation period equal to the qualifying period. Only those weeks with the highest earnings in the new rate calculation period would be included, and these earnings would be an average of the best 14 weeks of insurable employment.

The Committee also heard that calculation of benefits for farm owners needs to be based on net rather than gross income.

RECOMMENDATION 12:

The Committee recommends that Human Resources and Skills Development Canada examine calculating benefits for farm owners on net income rather than gross income.

III. The Effects of New Entrant and Re-entrant Rules (NERE)

Witnesses told the Committee that the NERE⁹⁸ rules have had a “disproportionately negative effect on new immigrants in large urban centres”⁹⁹ as well as on students who are entering the workforce.

The ones who stand out in my mind as needing some serious, focused attention are, first of all, new entrants into the workforce. Those workers include both immigrant workers—people who are new to Canada—and people who have just finished their education and are coming out of university with huge debt, if they've been so fortunate to attend. These workers have to establish 910 hours of eligibility before they qualify for establishing the minimum employment insurance benefits. So there is the whole question of the new entrants.¹⁰⁰

98 According to section 7(4) of the *Employment Insurance Act*: An insured person is a new entrant or a re-entrant to the labour force if, in the last 52 weeks before their qualifying period, the person has had fewer than 490

(a) hours of insurable employment; (b) hours for which benefits have been paid or were payable to the person, calculated on the basis of 35 hours for each week of benefits; (c) prescribed hours that relate to employment in the labour force; or (d) hours comprised of any combination of those hours.

According to Section 7(4.1) of the *Employment Insurance Act*: An insured person is not a new entrant or a re-entrant if the person has been paid one or more weeks of special benefits referred to in paragraph 12(3)(a) or (b) in the period of 208 weeks preceding the period of 52 weeks before their qualifying period or in other circumstances, as prescribed by regulation, arising in that period of 208 weeks.

99 Dr. Leah Vosko, Canada Research Chair in Feminist Political Economy, York University, *FEWO Evidence*, March 26, 2009 (1255).

100 Kathleen Lahey, Faculty of Law, Queen's University, *FEWO Evidence*, February 24, 2009 (1130).

HRSDC currently has a pilot project (the New Entrant/Re-entrant project) in place that allows claimants to qualify for regular benefits with a minimum of 840 hours instead of 910 hours. This pilot project began in December 2005 and has been extended to December 2010.¹⁰¹ According to the *2008 EI Monitoring and Assessment Report*, preliminary results indicate that the “NERE pilot project primarily benefited youth, people in low-income families and people whose last job was temporary non-seasonal.”¹⁰²

However, the Committee heard from several witnesses that the NERE rules should be eliminated. Therefore,

RECOMMENDATION 13:

The Committee recommends that Human Resources and Skills Development Canada consider eliminating the New Entrants and Re-entrants rules.

IV. Maternity/Parental Benefits

Witnesses raised concerns that the special benefits provided under the EI program should not be part of an employment insurance program. Ms. Vincent noted that given women’s increased family and caregiving responsibilities a separate program may be needed.¹⁰³ Other witnesses found that a separate program for special benefits may not be an appropriate solution. Referring to the Compassionate Care Benefits, Mr. Neil Cohen pointed out that it is worthwhile to have these types of benefits “entrenched in a program that is a pillar of our social fabric in Canada.”¹⁰⁴

101 Service Canada, “Employment Insurance (EI) Pilot Project for New Entrants and Re-Entrants,” http://www.servicecanada.gc.ca/eng/ei/information/access_ei.shtml, accessed April 12, 2009.

102 HRSDC, EI Monitoring and Assessment Report, http://www.hrsdc.gc.ca/eng/employment/ei/reports/eimar_2008/chapter5_2.shtml#_ftnref42.

103 Ms. Carole Vincent, Senior Research Associate, Social Research and Demonstration Corporation, *FEWO Evidence*, April 2, 2009 (0955).

104 Mr. Neil Cohen, Executive Director, Community Unemployed Help Centre, *FEWO Evidence*, March 31, 2009 (1205)

A. Positive Effects of Maternity/Parental Benefits

Witnesses highlighted the beneficial effects of the EI program's maternity/parental benefits. Ms. Charette, Deputy Minister at HRSDC, informed the Committee that the current maternity/parental benefits provide women with the flexibility to stay at home to care for their newborn child.

The 50 weeks of EI maternity and parental benefits play a critical role in supporting Canadian families by providing temporary income replacement for parents of newborn or newly adopted children. These benefits provide flexibility for many women and men to stay home to nurture their child during that important first year.¹⁰⁵

The Committee heard from Mrs. Verna Heinrichs, who appeared as an individual, on how women benefit from the EI program's maternity/parental benefits:

I know of teachers, nurses, aestheticians, chefs and others who have benefited from the 15 weeks of employment insurance coverage for maternity leave and the 35 weeks of parental benefits through the EI program. This financial assistance is invaluable for women and their families, with spouses sometimes sharing part of this time off from work to help with the needs of a newborn and a growing family.¹⁰⁶

Dr. Michael Baker, Professor of Economics at the University of Toronto, discussed the beneficial effects of the EI program's maternity and parental leave benefits, particularly after the implementation of extended leave in December 2000. His research findings demonstrate that these benefits increased the time women were at home with their children and, in addition, they increased the likelihood that mothers stayed with their pre-birth employer.¹⁰⁷ There are two sources to this job continuity associated with extended leaves:

Some women come back to the work force instead of permanently quitting in order to care for their child. Another large share of mothers switches from taking new mostly part-time jobs while their child is young to taking longer leaves before returning full-time to the pre-birth employer.¹⁰⁸

Dr. Baker also pointed out that because mothers are spending longer period of time with their infants, there is also evidence of a positive effect on breast feeding behavior of mothers in Canada.

105 Ms. Janice Charette, Deputy Minister of HRSDC, *FEWO Evidence*, April 2, 2009 (1120).

106 Mrs. Verna Heinrichs, As an Individual, *FEWO Evidence*, March 31, 2009 (1150).

107 Dr. Michael Baker, Professor, Department of Economics, University of Toronto, *FEWO Evidence*, April 2, 2009, (0905-0910).

108 Michael Baker and Kevin Milligan, "How does job-protected maternity leave affect mothers' employment?" July 2008, p. 30.

B. Inequities in Maternity/Parental Benefits

Despite the positive effects accrued by women from accessing maternity/parental benefits, the Committee heard that there are several inequities that exist. These arise because some women have employers who can ‘top-up’ their maternity/parental benefits. As an example, federal public service employees are entitled to a top-up to 93% of their earnings.¹⁰⁹

Many women do not have access to the same generous employer benefits and have to contend with the EI program’s 55% income replacement rate. Evidence from Statistics Canada suggests that women with lower earnings may not be financially able to stay at home for the duration of their maternity/parental benefits and return to work within four months.¹¹⁰ According to Professor Lahey:

Approximately 25% of women are not able to take their full maternity leave period, even though technically it's been expanded to a year. Those are women who, on average, have incomes of \$16,000. The whole group of the 25% earn \$20,000 or less, or if they are not single parents, they, with their partner or husband together, earn no more than \$40,000 per year. So it's clearly the financially stressed group. There are also figures that show that if a woman has a permanent, full-time job she will almost certainly take the full one-year maternity leave—98% do so.¹¹¹

Dr. Leah Vosko also pointed out that women who take their maternity and parental leave may be at risk of losing their employment when they return to work and may not be able to qualify for regular benefits.

A woman returning from a year's parental and pregnancy leave may find herself unable to collect any EI benefits if she is laid off in the following months. This is because she is unlikely to have accrued sufficient hours to establish a new claim, especially if her work week is under 35 hours.¹¹²

Certain witnesses did recommend that maternity/parental benefits should be in a separate program and not tied to an employment insurance program, as in the case of the Quebec Parental Insurance Plan. This would mean that maternity/parental benefits and regular benefits would have different qualification requirements and benefit entitlements.

109 Mr. Richard Shillington, “Presentation on Maternity and Parental Benefits under Employment Insurance,” *FEWO Evidence*, February 26, 2009.

110 Katherine Marshall, “Benefiting from extended parental leave,” *Perspectives on Labour and Income*, Statistics Canada, March 2003, p. 9.

111 Professor Kathleen Lahey, Faculty of Law, Queen's University, *FEWO Evidence*, February 24, 2009 (1205)

112 Dr. Leah Vosko, Canada Research Chair in Feminist Political Economy, York University, *FEWO Evidence*, March 26, 2009 (1150).

Another issue that witnesses raised is that not all mothers have access to maternity/parental benefits and many are excluded from the program. Women who work part-time or in other forms of non-standard work have difficulty qualifying for these benefits.¹¹³ In addition, maternity/parental benefits target women who have a labour force attachment and do not consider women who are stay-at-home mothers. Finally, women who are self-employed are currently excluded from the program.

In 2005, the Committee studied the topic of extending maternity and parental benefits to the self-employed.¹¹⁴ Budget 2009 announced that an Expert Panel will be established to consult Canadians on how to best provide the self-employed with access to EI maternity and parental benefits.¹¹⁵

C. Maternity/Parental Benefits Reinforce Women's Role as Caregivers

Witnesses pointed out that instead of promoting the sharing of caregiving responsibilities between the two spouses, maternity/parental benefits tend to reinforce women's caregiving responsibilities. The Committee heard that an incentive is created for the low income earner in the household (usually the female) to take the leave rather than the high-income earner (usually the male). This effect is due to the low rate of income replacement and the low cap for maximum insurable earnings.¹¹⁶

[T]he program parameters for the caregiving benefits reinforce women taking the leaves rather than men. The low-income replacement rates, for example, reinforce the lower earner taking the leave. So the parameters of the existing parental maternity benefits are not doing a good job of sharing the caregiving workload.¹¹⁷

The Quebec Parental Insurance Plan (QPIP) provides a different model than the federal one. The Committee heard that the plan is more generous and offers more flexibility. It has a higher threshold of maximum insurable earnings so that the higher income earner has the option to take parental leave. As well, it offers paternity benefits for

113 Ibid. (1220).

114 Standing Committee on the Status of Women, Interim Report on the Maternity and Parental Benefits Under Employment Insurance: The Exclusion of Self-Employed Workers, November 2005, http://www2.parl.gc.ca/content/hoc/Committee/381/FEWO/Reports/RP2148183/FEWO_Rpt05/FEWO_Rpt05-e.pdf.

115 Budget 2009, <http://www.budget.gc.ca/2009/plan/bpc3b-eng.asp>.

116 Ibid.

117 Dr. Martha MacDonald, Professor, Economics Department, Saint Mary's University, *FEWO Evidence*, April 2, 2009 (0930).

the father and includes the self-employed. As a family protection policy, this plan encourages men to share caregiving responsibilities with women. Ms. Vincent provided the following description of QPIP:

This program is more generous and also offers flexibility to insured parents: earnings replacement rates can go up to 75% of insurable earnings, and the threshold of maximum insurable earnings is \$62,000, compared with only \$41,000 under EI. The program also provides for up to five weeks of benefits exclusively to the father. In 2006, 56% of fathers eligible for paternity benefits took advantage of the program in Quebec, compared with only 10% of eligible fathers in the rest of Canada.¹¹⁸

D. Proposed Reforms

The Committee heard from several witnesses that the EI program's maternity/parental benefits should be reformed so that it becomes more accessible, more generous and more flexible. Witnesses recommended that the Quebec Parental Insurance Plan (QPIP) be used as a model not only for reforming the EI program but also for extending it to the self-employed. In addition, witnesses recommended that paternity benefits be taken into consideration. However, witnesses disagreed as to whether the contributions for the self-employed should be mandatory, as in the case of QPIP, or voluntary.

RECOMMENDATION 14:

The Committee recommends that:

- **Human Resources and Skills Development Canada make maternity and parental benefits as flexible and equal as the Quebec Parental Insurance Plan by expanding eligibility, benefit levels and duration of EI benefits.**¹¹⁹
- **Human Resources and Skills Development Canada extend benefits to the self-employed using the Quebec Parental Insurance Plan as its model.**¹²⁰

118 Ms. Carole Vincent, Senior Research Associate, Social Research and Demonstration Corporation, *FEWO Evidence*, April 2, 2009 (0950).

119 For greater clarity, this recommendation does not apply to the province of Quebec which finances its own parental benefits.

120 Ibid.

The Committee is also concerned that women who are on maternity/parental leave risk being laid off either during their leave or after they return to work. Therefore,

RECOMMENDATION 15:

The Standing Committee on the Status of Women recommends that the government modify the Employment Insurance program for women who are laid off during or following maternity/parental leave so that benefits are calculated based on the number of hours worked prior to maternity/parental leave.

V. Sickness Benefits and Compassionate Care Benefits

Even though witnesses welcomed the provision of sickness and compassionate care benefits, they raised concerns that the duration of benefits was insufficient. For women who suffer from episodic disabilities¹²¹ and from cancer, 15 weeks of sickness benefits did not address their needs.

For people living with HIV/AIDS and other disabilities such as multiple sclerosis and mood disorders, the episode of inability to work can last longer than 15 weeks. And then, according to the 2004 EI Monitoring and Assessment Report, 10% of all the people who used all 15 weeks of EI sickness benefits received CPP disability benefits afterwards. This finding suggests that 15 weeks of EI sickness benefits may not be enough.¹²²

Ms. Denise Page, analyst with the Canadian Cancer Society, explained to the Committee that women who suffer from breast cancer have to undergo surgery, chemotherapy and radiotherapy. In combination, their health care needs add up to more than a year of illness.¹²³

121 An episodic disability is marked by fluctuating periods and degrees of wellness and disability (see: Canadian Working Group on HIV and Rehabilitation http://www.hivandrehab.ca/EN/resources/description_episodic_disabilities.php).

122 Ms. Carmela Hutchison, President, DisAbled Women's Network of Canada, *FEWO Evidence*, March 12, 2009 (1130).

123 Mrs. Denise Page, Health Policy Analyst, Canadian Cancer Society, *FEWO Evidence*, March 31, 2009 (1120).

Witnesses spoke highly of the Compassionate Care Benefits (CCB) introduced in 2004. Ms. Pamela Fancey, Associate Director, Nova Scotia Centre on Aging, informed the Committee that these benefits entail “a positive step toward supporting employees.”¹²⁴ She noted the positive effects of the CCB in retaining employees who may have otherwise had to leave the labour force to care for a dying relative.¹²⁵

Ms. Fancey, who has also conducted international comparisons of family leave polices, pointed out that because Canada’s CCB is embedded in the EI program, it is limited to those who participate in the labour force. Those who do not participate in the labour force or who do not qualify for CCB due to their employment patterns are excluded. As Ms. Fancey explained, these exclusions do not exist in certain jurisdictions:

These noted exclusions do not exist in Sweden, Norway or California, where eligibility is extended to all workers, including part-time and self-employed, provided they have contributed to a national social insurance program, as in the case of Sweden and Norway, or state disability insurance benefits, as is the case in California.¹²⁶

The Committee heard that, in comparison to other jurisdictions, Canada’s “dying” criteria is “stringent” making it difficult for claimants to know when it is appropriate to submit a claim:

Canada’s CCB definition of gravely ill is considered stringent and the process cumbersome in comparison to other jurisdictions. In Canada, the employee’s relative must be at risk of dying within 26 weeks and need a medical certificate to that effect signed by a physician. This can at times be difficult to assess, given the sometimes unpredictable nature of the dying process, thereby making it difficult for employees to know when to apply for the leave and when to take the leave itself.¹²⁷

However, Ms. Fancey also indicated that Canada’s CCB has an in-built flexibility that allows caregiving to take place either in the community or in an institutional setting, “encompass[ing] the full spectrum from employees who provide emotional support to those who actually perform physical care, regardless of living arrangements.”¹²⁸

124 Ms. Pamela Fancey, Associate Director, Nova Scotia Centre on Aging, *FEWO Evidence*, March 31, 2009 (1140).

125 Ibid.

126 Ibid.

127 Ibid. (1145).

128 Ibid.

Another concern that Ms. Fancey raised was in regards to the 55% income replacement rate. She informed the Committee that “[w]omen's short- and long-term financial security may be jeopardized because of the low monetary value and maximum ceiling of the benefit itself.¹²⁹

A. Proposed Reforms

Several witnesses recommended that the current 15-week of duration of sickness benefits needs to be extended.

RECOMMENDATION 16:

The Committee recommends that Human Resources and Skills Development Canada extend sickness benefits commensurate with Employment Insurance parental leave.

The Committee heard that Compassionate Care Benefits (CCB) duration of six weeks needs to be extended. Witnesses also noted that CCB requirements are too stringent and lack flexibility. Under the current medical proof criteria, a claimant must provide proof showing that the ill family member needs care or support and is at risk of dying within 26 weeks.¹³⁰

RECOMMENDATION 17:

The Committee recommends that Compassionate Care Benefits be extended commensurate with Employment Insurance parental leave.

RECOMMENDATION 18:

The Committee recommends that changes be made to the Compassionate Care Benefits so that it responds to the variability of need for care and that these changes be monitored annually to ensure they respond to the needs of caregivers.

129 Ibid. (1150).

130 HRSDC, EI Compassionate Care Benefits, http://www.servicecanada.gc.ca/eng/ei/types/compassionate_care.shtml#Who.

RECOMMENDATION 19:

The Committee recommends that the medical criteria for Compassionate Care Benefits be expanded to include a broader definition of ‘the gravely ill’ encompassing both the severely and chronically ill.

RECOMMENDATION 20:

The Committee recommends that the medical proof requirements for Compassionate Care Benefits be modified so that they are more flexible.

The Committee is concerned that the uptake of the Compassionate Care Benefits is relatively lower than other special benefits. According to the *2008 EI Monitoring and Assessment Report*, the “number of new compassionate care benefits claims grew by less than 1% (0.5%) in 2007/08, to reach 5,700.”¹³¹ The Committee would like HRSDC to examine further why the uptake for CCB claims is low.

VI. Training and Development for Unemployed Women

Part II of the *Employment Insurance Act* commits the federal government to work in concert with provinces and territories to put in place active employment programs to help unemployed Canadians integrate into the labour market. These programs are called Employment Benefits and Support Measures, most of which are delivered through transfer Labour Market Development Agreements between the federal government and the provinces and territories.¹³² However, only EI beneficiaries or those who have received regular or maternity/parental benefits in the past three or five years respectively are eligible for this support. As several witnesses have noted, women tend to be excluded from such programs since many do not qualify for EI.

Budget 2009 invests \$500 million over two years in a Strategic Training and Transition Fund (STTF) to support individuals who do not qualify for EI training, such as the self-employed or those who have not been in the labour force for a prolonged period of time. According to information submitted by HRSDC, the STTF will be administered through existing Labour Market Development Agreements. Provinces and territories are to report on this dedicated funding by developing an annual plan with a description of eligible beneficiaries; a description of priority areas; and, a description of eligible programs. In addition, provinces and territories are to measure program performance by collecting

131 HRSDC, 2008 EI Monitoring and Assessment Report, http://www.hrsdc.gc.ca/eng/employment/ei/reports/eimar_2008/chapter5_1.shtml.

132 HRSDC, *Report on Plans and Priorities. 2009-2010 Estimates*, p. 48.

performance indicators on eligible beneficiaries, the types of interventions provided, and the outcomes of the interventions funded through the STTF. Based on these annual and quarterly updates from the provinces and territories, the federal government will report nationally on the results of the STTF.¹³³

Ms. Janice Charette, Deputy Minister of HRSDC, indicated to the Committee that the Department can provide gender disaggregated information on various clients being served under the Employment Benefits and Support Measures.

We are in the process of negotiating agreements with provinces and territories right now, who, as you said, will deliver the Strategic Training and Transition Fund. I know we're going to be tracking clients who benefit. Certainly for the employment benefits and supports were delivered under Part II of Employment Insurance Program, the Labour Market Development Agreements (LMDA), we do track by gender.¹³⁴

RECOMMENDATION 21:

The Committee recommends that Human Resources and Skills Development Canada make publicly available on a monthly basis gender disaggregated data on the recipients of Employment Benefits and Support Measures under Part II of the *Employment Insurance Act*.

RECOMMENDATION 22:

The Committee recommends that:

- **Human Resources and Skills Development Canada track women's participation in the Employment Benefits and Support Measures monthly to evaluate new measures introduced in Budget 2009 in order to ensure that women's training and development needs are being addressed under the Labour Market Development Agreements;**
- **And, that this monthly tracking of the Employment Benefits and Support Measures continue after the recession;**

133 Submission from HRSDC, *FEWO Evidence*, May 1, 2009.

134 Ms. Janice Charette, Deputy Minister of HRSDC, *FEWO Evidence*, April 2, 2009 (1155).

- **And, that Human Resources and Skills Development Canada report to Parliament in its Departmental Performance Report on the extent to which women’s training and development needs are being addressed by the Employment Benefits and Support Measures.**

VII. EI Premium Exemptions

The Committee heard that women and men are paying into EI and not qualifying for benefits.

In 2006, 15% of female paid workers contributed to the EI program but did not work sufficient hours to qualify for benefits, compared to only 8% of men.¹³⁵

The EI program provides a premium refund for those whose earnings are less than \$2,000.¹³⁶ However, this threshold may be too low.

An alternative to raising the insurable earnings refund would be for the federal government to introduce an earnings exemption not unlike that found in the Canada Pension Plan. Recommendations were made to introduce a year’s basic exemption to EI premiums based on the individual’s earnings. As Dr. Schirle indicated:

[T]here are several people, male and female, who will never qualify for EI benefits, yet have to make contributions. It seems unreasonable to require that people pay insurance premiums toward insurance they could never benefit from. For example, to be eligible for regular EI benefits in a high unemployment region, a typical person must have had 420 insurable hours in the previous 52 weeks. On average, this person must have worked more than 8 hours per week at all jobs combined. Introducing a year’s basic exemption to EI premiums, based on an individual’s annual earnings, with all, not a single employer, might be a reasonable solution to consider here.¹³⁷

135 Ms. Carole Vincent, Senior Research Associate, Social Research and Demonstration Corporation, *FEWO Evidence*, April 2, 2009 (0950).

136 According to section 96(4) of the *Employment Insurance Act* If a person has insurable earnings of not more than \$2,000 in a year, the Minister shall refund to the person the aggregate of all amounts deducted as required from the insurable earnings, whether by one or more employers, on account of the person’s employee’s premiums for that year.

137 Dr. Tammy Schirle, Assistant Professor, Department of Economic, Wilfrid Laurier University, *FEWO Evidence*, April 2, 2009 (0940).

VIII. Reforming the EI program—A New Architecture

The Committee heard from several witnesses that the EI program needs to be reformed to account for women's income insecurities, labour market realities and caregiving responsibilities. As witnesses noted, the EI program has to become an integral part of Canada's social safety net. The Committee heard that many women who do not qualify for EI benefits or who exhaust their benefits may end up on social assistance.¹³⁸

Mr. Battle proposed to the Committee that the EI program be changed so that an additional program is developed, a temporary income program. The temporary income program would serve people who do not qualify for EI.

In other words, we would have now a two-part system. One part would be employment insurance, funded through premiums the way it is now, but it would be a stronger program. It would not have variable entrance requirements. There wouldn't be the perversion of the regional aspect to it. And there would be a new income-tested program, funded through general revenues—this again would be a federal one—that would help unemployed people who aren't able to qualify for an employment insurance program.¹³⁹

138 For example, Ms. Jane Stinson, President, Canadian Research Institute for the Advancement of Women and Ms. Bonnie Diamond, Co-Chair, Canadian Feminist Alliance for International Action, *FEWO Evidence*, April 2, 2009.

139 Mr. Ken Battle, President, Caledon Institute of Social Policy, *FEWO Evidence*, March 5, 2009 (1130).

CONCLUSION

The Committee set out to study the effects and consequences of the EI program on women. We found, that overall, the EI program does benefit women who are in full-time employment. The Committee heard, however, that women's labour market realities are not accounted for under the current EI program. One of the main reasons women are unable to access benefits is because they predominate in part-time employment.

We have made several recommendations aimed at improving access to Employment Insurance benefits for women in Canada. It is our hope that with the implementation of these reforms, women's income security will be enhanced.

LIST OF RECOMMENDATIONS

RECOMMENDATION 1:

The Committee recommends that Human Resources and Skills Development Canada, in coordination with Statistics Canada, produce a public monthly report on Employment Insurance coverage rates using gender disaggregated data for the B/U ratio, B/UC ratio and for the proportion of Employment Insurance contributors who received or will receive Employment Insurance regular benefits, including full-time and part-time workers and age category 15 years and older so as to improve monitoring of the Employment Insurance program's coverage of unemployed women and men.

RECOMMENDATION 2:

The Committee recommends that Statistics Canada conduct an in-depth study, together with experts, on the status of women in the labour market and on the status of women who are not part of the labour force.

RECOMMENDATION 3:

The Committee recommends that Human Resources and Skills Development Canada request statistics on voluntary reasons for leaving employment or working part-time or not entering the paid workforce that is gender disaggregated by age group 15 years and older.

RECOMMENDATION 4:

The Committee recommends that Statistics Canada's Labour Force Survey provide a full breakdown by gender and age category 15 years and older and including full-time and part-time employment, and that the data be coordinated with Employment Insurance data so that monthly releases reveal exactly what numbers and percentages of male and female workers in every category: unemployed/former full-time, unemployed/ former part-time who receive Employment Insurance benefits plus the total Employment Insurance earnings received in each category and average Employment Insurance earnings per worker.

RECOMMENDATION 5:

The Committee recommends that Human Resources and Skills Development Canada implement a uniform 360-hour qualification requirement, irrespective of regional unemployment rates or the type of benefit. This would establish that Employment Insurance is available to part-time workers.

RECOMMENDATION 6:

The Committee recommends that:

- Human Resources and Skills Development Canada examine the impact of returning to a weeks-based qualification requirement given that the current hours-based qualification requirement unfairly discriminates against women who work in precarious employment and in part-time work.
- Human Resources and Skills Development Canada report its findings to Parliament by January 2010.

RECOMMENDATION 7:

The Committee recommends that the maximum benefit entitlement for regular benefits be extended to 50 weeks on a permanent basis and that additional weeks of entitlement should be considered by Human Resources and Skills Development Canada.

RECOMMENDATION 8:

The Committee recommends that:

- Human Resources and Skills Development Canada develop a measure showing the percentage of Employment Insurance beneficiaries who have exhausted their benefits and who become long-term unemployed are applying for social assistance;
- That this measure be disaggregated by full-time/part-time, male/female, and age category 15 years and up; and
- That this measure be coordinated with the provinces /territories using the same indicators.

RECOMMENDATION 9:

The Committee recommends that the two week waiting period be eliminated for all benefits.

RECOMMENDATION 10:

The Committee recommends that Human Resources and Skills Development Canada increase the benefit rate from 55% to 60% or more of average weekly insurable earnings for both regular and special benefits.

RECOMMENDATION 11:

The Committee recommends that the government, based on the preliminary results of the 'Best 14 Weeks' pilot project, adopt a new rate of calculation period equal to the qualifying period. Only those weeks with the highest earnings in the new rate calculation period would be included, and these earnings would be an average of the best 14 weeks of insurable employment.

RECOMMENDATION 12:

The Committee recommends that Human Resources and Skills Development Canada examine calculating benefits for farm owners on net income rather than gross income.

RECOMMENDATION 13:

The Committee recommends that Human Resources and Skills Development Canada consider eliminating the New Entrants and Re-entrants rules.

RECOMMENDATION 14:

The Committee recommends that:

- Human Resources and Skills Development Canada make maternity and parental benefits as flexible and equal as the Quebec Parental Insurance Plan by expanding eligibility, benefit levels and duration of EI benefits.
- Human Resources and Skills Development Canada extend benefits to the self-employed using the Quebec Parental Insurance Plan as its model.

RECOMMENDATION 15:

The Standing Committee on the Status of Women recommends that the government modify the Employment Insurance program for women who are laid off during or following maternity/parental leave so that benefits are calculated based on the number of hours worked prior to maternity/parental leave.

RECOMMENDATION 16:

The Committee recommends that Human Resources and Skills Development Canada extend sickness benefits commensurate with Employment Insurance parental leave.

RECOMMENDATION 17:

The Committee recommends that Compassionate Care Benefits be extended commensurate with Employment Insurance parental leave.

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The Committee recommends that changes be made to the Compassionate Care Benefits so that it responds to the variability of need for care and that these changes be monitored annually to ensure they respond to the needs of caregivers.

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The Committee recommends that Human Resources and Skills Development Canada make publicly available on a monthly basis gender disaggregated data on the recipients of Employment Benefits and Support Measures under Part II of the *Employment Insurance Act*.

RECOMMENDATION 22:

The Committee recommends that:

- **Human Resources and Skills Development Canada track women's participation in the Employment Benefits and Support Measures monthly to evaluate new measures introduced in Budget 2009 in order to ensure that women's training and development needs are being addressed under the Labour Market Development Agreements;**
- **And, that this monthly tracking of the Employment Benefits and Support Measures continue after the recession;**
- **And, that Human Resources and Skills Development Canada report to Parliament in its Departmental Performance Report on the extent to which women's training and development needs are being addressed by the Employment Benefits and Support Measures.**

APPENDIX 1

REQUIRED NUMBER OF HOURS OF INSURABLE EMPLOYMENT ACCORDING TO REGIONAL RATE OF UNEMPLOYMENT (*Employment Insurance Act*)

Regional Rate of Unemployment	Required Number of Hours of Insurable Employment in Qualifying Period
6% and under	700
more than 6% but not more than 7%	665
more than 7% but not more than 8%	630
more than 8% but not more than 9%	595
more than 9% but not more than 10%	560
more than 10% but not more than 11%	525
more than 11% but not more than 12%	490
more than 12% but not more than 13%	455
more than 13%	420

Source: *Employment Insurance Act*, Section 7, available at <http://laws.justice.gc.ca/en/E-5.6/> .

APPENDIX 2

TABLE OF WEEKS OF BENEFIT
(Employment Insurance Act)

Regional Rate of Unemployment

Number of hours of insurable employment in qualifying period	Regional Rate of Unemployment											
	6% and under	More than 6% but not more than 7%	More than 7% but not more than 8%	More than 8% but not more than 9%	More than 9% but not more than 10%	More than 10% but not more than 11%	More than 11% but not more than 12%	More than 12% but not more than 13%	More than 13% but not more than 14%	More than 14% but not more than 15%	More than 15% but not more than 16%	More than 16%
420-454									31	33	35	37
455-489								29	31	33	35	37
490-524							28	30	32	34	36	38
525-559						26	28	30	32	34	36	38
560-594					25	27	29	31	33	35	37	39
595-629				23	25	27	29	31	33	35	37	39
630-664			22	24	26	28	30	32	34	36	38	40
665-699		20	22	24	26	28	30	32	34	36	38	40
700-734	19	21	23	25	27	29	31	33	35	37	39	41
735-769	19	21	23	25	27	29	31	33	35	37	39	41
770-804	20	22	24	26	28	30	32	34	36	38	40	42
805-839	20	22	24	26	28	30	32	34	36	38	40	42
840-874	21	23	25	27	29	31	33	35	37	39	41	43
875-909	21	23	25	27	29	31	33	35	37	39	41	43
910-944	22	24	26	28	30	32	34	36	38	40	42	44
945-979	22	24	26	28	30	32	34	36	38	40	42	44
980-1014	23	25	27	29	31	33	35	37	39	41	43	45
1015-1049	23	25	27	29	31	33	35	37	39	41	43	45
1050-1084	24	26	28	30	32	34	36	38	40	42	44	46
1085-1119	24	26	28	30	32	34	36	38	40	42	44	46
1120-1154	25	27	29	31	33	35	37	39	41	43	45	47
1155-1189	25	27	29	31	33	35	37	39	41	43	45	47
1190-1224	26	28	30	32	34	36	38	40	42	44	46	48
1225-1259	26	28	30	32	34	36	38	40	42	44	46	48
1260-1294	27	29	31	33	35	37	39	41	43	45	47	49
1295-1329	27	29	31	33	35	37	39	41	43	45	47	49
1330-1364	28	30	32	34	36	38	40	42	44	46	48	50
1365-1399	28	30	32	34	36	38	40	42	44	46	48	50
1400-1434	29	31	33	35	37	39	41	43	45	47	49	50
1435-1469	30	32	34	36	38	40	42	44	46	48	50	50
1470-1504	31	33	35	37	39	41	43	45	47	49	50	50
1505-1539	32	34	36	38	40	42	44	46	48	50	50	50
1540-1574	33	35	37	39	41	43	45	47	49	50	50	50
1575-1609	34	36	38	40	42	44	46	48	50	50	50	50
1610-1644	35	37	39	41	43	45	47	49	50	50	50	50
1645-1679	36	38	40	42	44	46	48	50	50	50	50	50
1680-1714	37	39	41	43	45	47	49	50	50	50	50	50
1715-1749	38	40	42	44	46	48	50	50	50	50	50	50
1750-1784	39	41	43	45	47	49	50	50	50	50	50	50
1785-1819	40	42	44	46	48	50	50	50	50	50	50	50
1820-	41	43	45	47	49	50	50	50	50	50	50	50

Source: Adapted table from the *Employment Insurance Act*, Schedule I, available at <http://laws.justice.gc.ca/en/E-5.6/> .

APPENDIX 3

REQUIRED NUMBER OF WEEKS OF INSURABLE EMPLOYMENT ACCORDING TO REGIONAL RATE OF UNEMPLOYMENT (*Unemployment Insurance Act*)

Regional Rate of Unemployment	Required Number of Weeks of Insurable Employment
6% and under	20
more than 6.0% but not more than 7.0%	19
more than 7.0% but not more than 8.0%	18
more than 8.0% but not more than 9.0%	17
more than 9.0% but not more than 10.0%	16
more than 10.0% but not more than 11.0%	15
more than 11.0% but not more than 12.0%	14
more than 12.0% but not more than 13.0%	13
more than 13.0%	12

Source: *Unemployment Insurance Act*, Subsection 6(2),
http://www.servicecanada.gc.ca/eng/ei/legislation/ui_act_table_1.shtml.

APPENDIX 4

**TABLE OF WEEKS OF BENEFITS
(Unemployment Insurance Act)**

TABLE OF WEEKS OF BENEFIT												
<i>Regional Unemployment Rate</i>												
Number of weeks of insurable employment	6.0% and under	More than 6.0% but not more than 7.0%	More than 7.0% but not more than 8.0%	More than 8.0% but not more than 9.0%	More than 9.0% but not more than 10.0%	More than 10.0% but not more than 11.0%	More than 11.0% but not more than 12.0%	More than 12.0% but not more than 13.0%	More than 13.0% but not more than 14.0%	More than 14.0% but not more than 15.0%	More than 15.0% but not more than 16.0%	More than 16.0%
12									26	28	30	32
13								24	26	28	30	32
14							23	25	27	29	31	33
15						21	23	25	27	29	31	33
16					20	22	24	26	28	30	32	34
17				18	20	22	24	26	28	30	32	34
18			17	19	21	23	25	27	29	31	33	35
19		15	17	19	21	23	25	27	29	31	33	35
20	14	16	18	20	22	24	26	28	30	32	34	36
21	14	16	18	20	22	24	26	28	30	32	34	36
22	15	17	19	21	23	25	27	29	31	33	35	37
23	15	17	19	21	23	25	27	29	31	33	35	37
24	16	18	20	22	24	26	28	30	32	34	36	38
25	16	18	20	22	24	26	28	30	32	34	36	38
26	17	19	21	23	25	27	29	31	33	35	37	39
27	17	19	21	23	25	27	29	31	33	35	37	39
28	18	20	22	24	26	28	30	32	34	36	38	40
29	18	20	22	24	26	28	30	32	34	36	38	40
30	19	21	23	25	27	29	31	33	35	37	39	41
31	19	21	23	25	27	29	31	33	35	37	39	41
32	20	22	24	26	28	30	32	34	36	38	40	42
33	20	22	24	26	28	30	32	34	36	38	40	42
34	21	23	25	27	29	31	33	35	37	39	41	43
35	21	23	25	27	29	31	33	35	37	39	41	43

TABLE OF WEEKS OF BENEFIT

Regional Unemployment Rate

Number of weeks of insurable employment	6.0% and under	More than 6.0% but not more than 7.0%	More than 7.0% but not more than 8.0%	More than 8.0% but not more than 9.0%	More than 9.0% but not more than 10.0%	More than 10.0% but not more than 11.0%	More than 11.0% but not more than 12.0%	More than 12.0% but not more than 13.0%	More than 13.0% but not more than 14.0%	More than 14.0% but not more than 15.0%	More than 15.0% but not more than 16.0%	More than 16.0%
36	22	24	26	28	30	32	34	36	38	40	42	44
37	22	24	26	28	30	32	34	36	38	40	42	44
38	23	25	27	29	31	33	35	37	39	41	43	45
39	23	25	27	29	31	33	35	37	39	41	43	45
40	24	26	28	30	32	34	36	38	40	42	44	46
41	25	27	29	31	33	35	37	39	41	43	45	47
42	26	28	30	32	34	36	38	40	42	44	46	48
43	27	29	31	33	35	37	39	41	43	45	47	49
44	28	30	32	34	36	38	40	42	44	46	48	50
45	29	31	33	35	37	39	42	43	45	47	49	50
46	30	32	34	36	38	40	42	44	46	48	50	50
47	31	33	35	37	39	41	43	45	47	49	50	50
48	32	34	36	38	40	42	44	46	48	50	50	50
49	33	35	37	39	41	43	45	47	49	50	50	50
50	34	36	38	40	42	44	46	48	50	50	50	50
51	35	37	39	41	43	45	47	49	50	50	50	50
52	36	38	40	42	44	46	48	50	50	50	50	50

R.S.(1985), U1, Sch; 1990, c.40, s.54; 1994, c. 18, s. 28

Source: *Unemployment Insurance Act*, Table 2,
http://www.servicecanada.gc.ca/eng/ei/legislation/ui_act_table_2.shtml.

LABOUR FORCE SURVEY

DEFINITIONS

Labour Force Survey

The Labour Force Survey (LFS) is a household survey carried out monthly by Statistics Canada. Since its inception in 1945, the objectives of the LFS have been to divide the working-age population into three mutually exclusive classifications—employed, unemployed, and not in the labour force—and to provide descriptive and explanatory data on each of these categories.¹

The survey incorporates questions permitting analyses of various issues, such as reasons for part-time employment, multiple job-holding and absence from work. It also provides monthly information on the wages and union status of employees, as well as the number of employees at their workplace and the temporary or permanent nature of their job.²

Labour Force Status

Persons who are supplying services in the reference period, regardless of the quantity supplied, are classified as employed while those who provide evidence that they are offering their labour services to the market (again regardless of quantity) are classified as unemployed. The remainder of the population, those neither currently supplying nor offering their labour services, are referred to as persons not in the labour force (see Figure 1).³

¹ Statistics Canada, Guide to the Labour Force Survey, 2009, p. 5, http://dsp-psd.pwgsc.gc.ca/collection_2009/statcan/71-543-G/71-543-g2009001-eng.pdf.

² Ibid., p. 5.

³ Ibid., p. 7.

According to this classification process, a woman in her late 50s who is pursuing training or an education would be considered 'not in the labour force.'

Employment and Unemployment

The concepts and definitions of employment and unemployment adopted by the survey are based on those endorsed by the International Labour Organisation (ILO).⁴

Employment: Employed persons are those who, during the reference week:

(a) Did any work at all at a job or business, that is, paid work in the context of an employer-employee relationship, or self-employment. It also includes

unpaid family work, which is defined as unpaid work contributing directly to the operation of a farm, business or professional practice owned and operated by a related member of the same household; or

(b) Had a job but were not at work due to factors such as own illness or disability, personal or family responsibilities, vacation, labour dispute or other reasons (excluding persons on layoff, between casual jobs, and those with a job to start at a future date).⁵

Unemployment: Unemployed persons are those who, during reference week:

(a) Were on temporary layoff during the reference week with an expectation of recall and were available for work, or

(b) Were without work, had actively looked for work in the past four weeks, and were available for work, or

(c) Had a new job to start within four weeks from reference week, and were available for work.⁶

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

Classifying Part-time Work

The classification of respondents as voluntary and involuntary part-time workers is derived from questions that ask respondents whether they want to work more or less than 30 hours at a (single) job or business. Based on the reasons that the respondents provide, they are classified as voluntary and involuntary part-time workers.

Voluntary part-timers are classified as such because they want to work less than 30 hours a week. Reasons include:

- own illness
- personal or family responsibilities
- going to school
- personal preference
- other.

Part-time workers are classified as voluntary when they want to work 30 or more hours per week but cannot because of the following reasons:

- own illness
- personal or family responsibilities
- going to school.

Respondents who want to work 30 or more hours per week but cannot because of 'business conditions' and because they 'could not find work with 30 hours or more' are then asked if they searched for full-time employment in the past four weeks. Those who did not search for full-time employment in the last four weeks are considered to be voluntary part-time workers.

Only those who searched for full-time employment in the last four weeks are considered to be involuntary part-time workers.

The involuntary part-time rate is calculated by dividing those whose response is “business conditions” or “could not find work with 30 or more hours” by the total number of persons working part-time at their main or only job.⁷

Reasons for Working Part-Time

In the questionnaire, the respondent is asked the following question:

Q. 159: “What is the main reason for not wanting to work 30 or more hours per week?”⁸

The respondent’s answer is coded according to the following categories:⁹

- 1 Own illness or disability
- 2 Caring for own children
- 3 Caring for elder relative (60 years of age or older)
- 4 Other personal or family responsibilities
- 5 Going to school
- 6 Personal preference
- 7 Other—Specify

This respondent would be considered a voluntary part-time worker since she does not want to work more than 30 hours a week.

In the questionnaire the respondent is asked the following question:

⁷ Ibid., p. 15.

⁸ LFI_Q159 in the questionnaire. See Guide to the Labour Force Survey, p. 56.

⁹ Codeset LFI_Q_159, Guide to the Labour Force Survey, p. 67.

Q. 160: “What is the main reason for working less than 30 hours per week?”¹⁰

The respondent’s answer is coded according to the following categories: ¹¹

- 1 Own illness or disability
- 2 Caring for own children
- 3 Caring for elder relative (60 years of age or older)
- 4 Other personal or family responsibilities
- 5 Going to school
- 6 Business conditions
- 7 Could not find work with 30 or more hours per week
- 8 Other - Specify

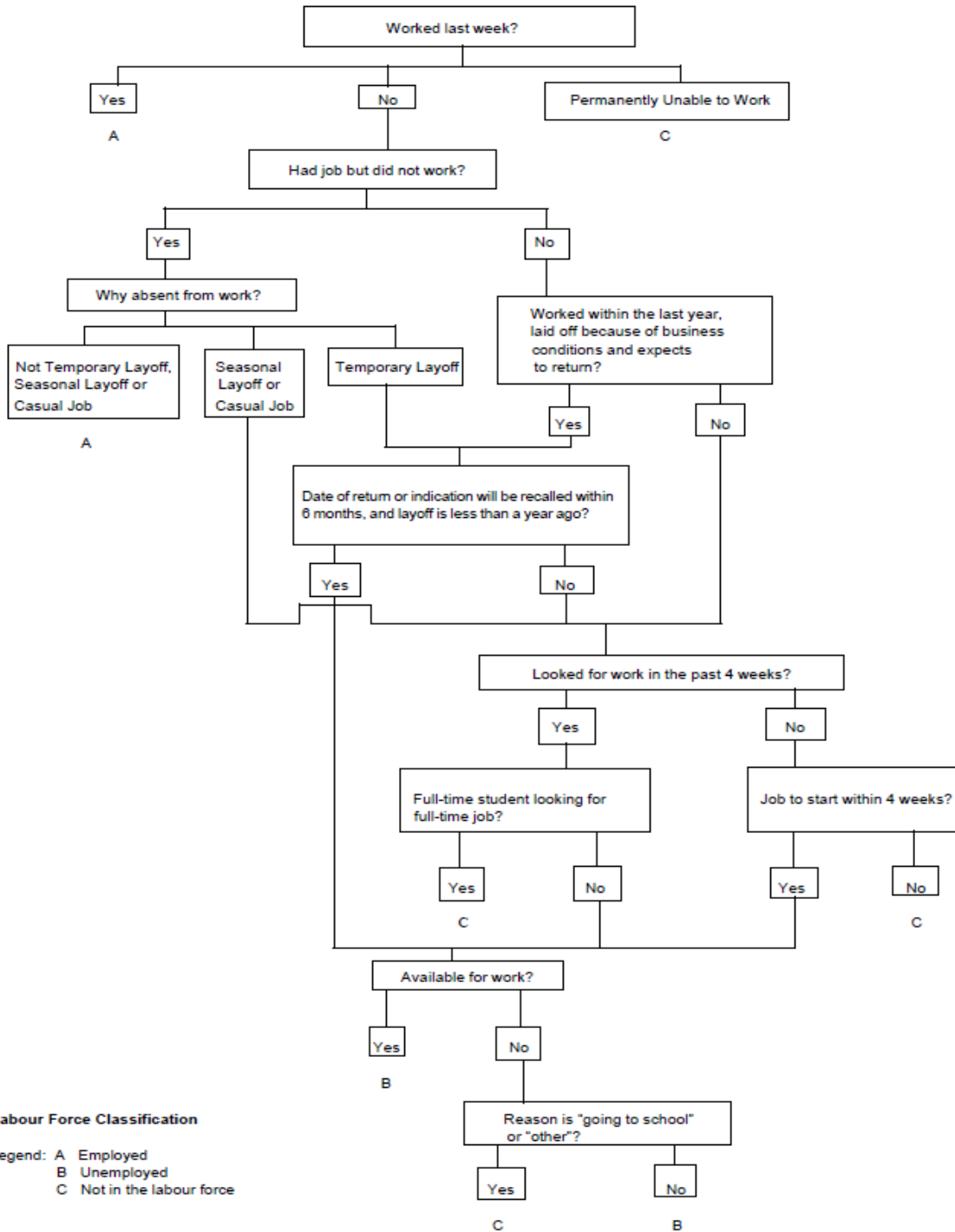
If the person answers ‘6’ or ‘7’, this person is then asked if she has searched for full-time employment in the last four weeks. If she answers ‘No’, she would be considered a voluntary part-timer. If she answers ‘Yes’, she would then be considered an involuntary part-timer.

¹⁰ LFI_Q160 in the questionnaire. See Guide to the Labour Force Survey, p. 57.

¹¹ Codeset LFI_Q_160, Guide to the Labour Force Survey, p. 67.

The following diagram illustrates the classification process that takes place in the Labour Force Survey to determine employment, unemployment and not in the labour force.

Figure 1: Labour Force Classification



APPENDIX A LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<p>As an individual</p> <p>Kathleen Lahey, Professor, Faculty of Law, Queen's University</p>	2009/02/24	4
<p>Canadian Centre for Policy Alternatives</p> <p>Armine Yalnizyan, Senior Economist</p>		
<p>Informetrica Limited</p> <p>Richard Shillington, Senior Associate</p>	2009/02/26	5
<p>Statistics Canada</p> <p>Geoff Bowlby, Director, Labour Statistics Division</p> <p>Sylvie Michaud, Director General, Labour and Household Surveys Branch</p>	2009/03/03	6
<p>Caledon Institute of Social Policy</p> <p>Ken Battle, President</p>	2009/03/05	7
<p>Canadian Labour Congress</p> <p>Barbara Byers, Executive Vice-President</p>		
<p>Conseil national des chômeurs et chômeuses</p> <p>Micheline Dépatie, Representative</p> <p>Danie Harvey, Representative</p>		
<p>As an individual</p> <p>Athina Ngjelina</p>	2009/03/10	8
<p>Department of Human Resources and Skills Development</p> <p>Louis Beauséjour, Director General, Employment Insurance Policy</p> <p>Allen Sutherland, Director General, Labour Market Policy</p> <p>Paul Thompson, Associate Assistant Deputy Minister, Skills and Employment Branch</p>		
<p>Ontario Council of Agencies Serving Immigrants</p> <p>Lucya Spencer, Executive Director, Immigrant Women Services Ottawa</p>		
<p>DisAbled Women's Network of Canada</p> <p>Carmela Hutchison, President</p>	2009/03/12	9

Organizations and Individuals	Date	Meeting
National Farmers Union Joan Brady, Women's Vice-President	2009/03/24	10
As an individual Leah Vosko, Canada Research Chair in Feminist Political Economy, York University	2009/03/26	11
Canadian Federation of Business and Professional Women's Clubs Sue Calhoun, President Joan Macklin, Vice-President		
As an individual Verna Heinrichs	2009/03/31	12
Antigonish Women's Resource Centre Lucille Harper, Executive Director		
Canadian Cancer Society Denise Page, Health Policy Analyst		
Community Unemployed Help Centre Neil Cohen, Executive Director		
Council of Canadians with Disabilities Marie White, National Chairperson		
Nova Scotia Centre on Aging Pamela Fancey, Associate Director		
As an individual Michael Baker, Professor, Department of Economics, University of Toronto Ernie Lightman, Professor, University of Toronto Martha MacDonald, Professor, Economics Department, Saint Mary's University Tammy Schirle, Assistant Professor, Department of Economics, Wilfrid Laurier University	2009/04/02	13
Social Research and Demonstration Corporation Carole Vincent, Senior Research Associate		
Canadian Federation of University Women Colleen Burns, Communications Co-ordinator Susan Russell, Executive Director	2009/04/02	14
Canadian Feminist Alliance for International Action Nancy Baroni, Coordinator, Gender Budget		

Organizations and Individuals	Date	Meeting
<p>Canadian Feminist Alliance for International Action Bonnie Diamond, Co-Chair</p>	2009/04/02	14
<p>Canadian Research Institute for the Advancement of Women Jane Stinson, President Fathiya Wais, Coordinator</p>		
<p>Conseil d'intervention pour l'accès des femmes au travail Ruth Rose-Lizée, Economist</p>		
<p>Department of Human Resources and Skills Development Janice Charette, Deputy Minister Paul Thompson, Associate Assistant Deputy Minister, Skills and Employment Branch</p>		
<p>Fédération des femmes du Québec Michèle Asselin, President</p>		

APPENDIX B LIST OF BRIEFS

Organizations and Individuals

Antigonish Women's Resource Centre

Community Unemployed Help Centre

Council of Canadians with Disabilities

Informetrica Limited

Lahey, Kathleen

MacDonald, Martha

National Farmers Union

Nova Scotia Centre on Aging

Schirle, Tammy

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings ([Meetings Nos. 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20 and 21](#)) is tabled.

Respectfully submitted,

Hedy Fry, MP

Chair

MINUTES OF PROCEEDINGS

A copy of the relevant Minutes of Proceedings ([Meetings Nos. 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20 and 21](#)) is tabled.

Respectfully submitted,

Hedy Fry, MP
Chair

Suggested Conservative Dissent to FEWO EI Report

Conservative members of the committee have reservations about the recommendations contained within this report and look forward to the Government's official response in this regard. Conservative Members feel that many of the recommendations – and indeed much of the witness testimony – did not address the concerns of the majority of Canadian women. Especially during the current global economic crisis, the Conservative Members feel it is important to have a report that responds to the needs of all Canadian women. This includes not only the unemployed, but the many women small business owners and other employers across the country who are also affected by the current recession and would be affected by any changes to the EI system.

As well, many of the recommendations do not address concerns specific to women. Many are very general and the Conservative Members believe they are beyond the appropriate scope of this committee's report. There are, however, some recommendations which the Conservative Members do support. These are:

Recommendation 1

- The committee recommends that Human Resources and Skills Development Canada, in coordination with Statistics Canada, produce a public monthly report on Employment Insurance coverage rates using gender disaggregated data for the B/U ratio and for the proportion of Employment Insurance contributors who received or will receive Employment Insurance regular benefits, including full time and part time workers and age category 15 years and older so as to improve monitoring of the Employment Insurance program's coverage of unemployed women and men

Recommendation 14

- The Committee recommends that changes be made to the Compassionate Care Benefits so that it responds to the variability of need for care and that these changes be monitored annually to ensure they respond to the needs of caregivers

Recommendation 15

- The committee recommends that the medical criteria for Compassionate Care Benefits be expanded to include a broader definition of 'the gravely ill' encompassing both the severely and chronically ill

Recommendation 16

- The Committee recommends that the 'medical proof' requirements for compassionate Care Benefits be modified so that they are more flexible.

Conservative members of the committee understand that Canadians are worried about putting food on the table and finding work to put food on the table and provide for their families.

That is why the Conservative government has taken unprecedented steps to support unemployed Canadians, preserve jobs and re-train workers for the jobs of the future.

To this end, through its Economic Action Plan, the Government has invested \$8.3 Billion for the Canada Skills and Transition Strategy. Included in this strategy are measures to:

- Increase for two years all regular EI benefit entitlements by five extra weeks and increase the maximum benefit duration to 50 weeks from 45 weeks.
- Provide \$500 Million over two years to extend EI income benefits for Canadians participating in longer-term training.
- Extend work-sharing agreements by 14 weeks, to a maximum of 52 weeks.
- Extend the Wage Earner Protection Program to cover severance and termination pay owed to eligible workers impacted by employers' bankruptcy.
- Increase funding for training delivered through the EI program for \$1 Billion over two years.
- Invest \$500 Million over two years in a Strategic Training and Transition Fund to support the needs of individuals who do not qualify for EI training, such as the self-employed or those who have been out of work for a prolonged period of time.

- Add \$60 Million over three years for the Targeted Initiative for Older Workers; expanding it to include workers in small cities.
- Add \$55 Million over two years to help young Canadians find summer jobs.
- Invest \$40 Million a year to launch the \$2,000 Apprenticeship Completion Grant.
- Invest \$50 Million over two years for a national foreign credential recognition framework in partnership with the provinces and territories.
- Invest \$100 Million over three years in the Aboriginal Skills and Employment Partnership (ASEP) initiative, expected to support creation of 6,000 jobs for Aboriginal Canadians.
- Invest \$75 Million in a two-year Aboriginal Skills and Training Strategic Investment Fund, and;
- Freeze EI premium rates for both 2009 and 2010.

Conservative members of the committee understand that the Government is monitoring the effectiveness of the actions it has taken to help Canadians and improve the EI system as to ensure that these measures are working and responding effectively to the evolving economic circumstances.

Liberal Party

Supplementary Opinion on a report entitled: *Towards Improving Access to EI Benefits for Women in Canada*

The Liberal Party was pleased to move the motion that requested that the Standing Committee of the Status of Women undertake a study on the consequences and effects the current Employment Insurance (EI) programs have on Women in Canada.

The Liberal Party understands fully the profound impact, on citizens, of an inflexible unemployment insurance program.

When Liberals formed government in 1993, it was necessary to deal with the negative consequences of massive, structural unemployment left by the then-Conservative government, during the recession of the late 1980s and early 1990s. The Liberal government had to recreate a new system that was flexible enough to respond to regional employment/unemployment rates while, at the same time, rebuild the EI fund and address the massive general, fiscal deficit. This new system was set within a booming economy and record low unemployment.

However, Canada is once again in a recession, and unemployment rates are rising at a rapid rate. Because of the nature of their work patterns, many women have been unable to gain access to employment benefits. Some find themselves the first to be laid off, especially if they are part-time workers, or are on maternity/parental leave or are pregnant. This report makes recommendations that are flexible and responsive to that reality.

While not reflected in the report's recommendations, we would like to draw attention to certain points repeatedly made by many witnesses. They made it clear that issues of child care, immigrant/refugee and disability status were integral to women's participation in paid work. The matter of the importance of pro active pay equity legislation was also raised by witnesses.

Liberals realised this linkage and were disappointed when the sudden 2006 election put an end to the \$6 billion dollar, National Early Childhood Development and Child Care Program which, had been negotiated with the provinces; but which was not honoured by the new Conservative government. The Liberal party remains committed to that national objective.

Similarly the Liberal Government's comprehensive, Internationally Trained Worker Initiative (ITWI), was cancelled by the Conservative government, it would have provided immigrant/refugee women with the tools of language training, credential recognition and apprenticeship that could allow them to find work commensurate with their skills; thus improving their earning power. Liberals remain committed to the ITWI.

Moreover, understanding the difficulty that disabled persons face in gaining access to training and education; a Liberal Government had put in place the building blocks that improved access to post-secondary education and training for disabled women. The Liberal party remains committed to enhancing this access, which has been ignored by the current government.

A Liberal government will reinstate the Liberal-initiated Court Challenges Program, also cancelled by the Conservative government, which would have allowed these vulnerable groups of women to fight discriminatory policies in the workplace.

The committee heard the need for pro active pay equity legislation and is now studying Pay Equity for the second time. The 2005 Liberal government response by the then Ministers of Labour and Justice to the Standing Committee of the Status of Women report on Pay Equity committed to the introduction of pro active pay equity legislation in early 2006. It was intended that this legislation would be reviewed and commented on by all stakeholder groups. The Conservative government did not choose to honour this commitment.

Moreover, we would like to point out that if the recommendation of a 360-hour requirement to obtain EI benefits were accepted, the many women in part-time employment will continue to take twice as long to achieve those requirements.

It is unfortunate that the key Ministers of Status of Women, Finance and HRSDC did not appear before the Committee, as requested, to answer these questions. It would also have provided an opportunity for the Committee to hear from these Ministers, whether Gender Based Analysis had been done on the economic stimulus package that contained the recent EI changes.

This report is a thoughtful effort at ameliorating some of the gender barriers that women face in gaining access to EI and other leave-benefits, such as maternity/parental benefits, and compassionate care benefits (CCB). But, it is incomplete in that there are many unanswered questions with regard to the reasons for so called "voluntary unemployment" and for the low uptake of parental benefits among men, in provinces outside of Quebec. These unanswered questions highlight a significant gap in information-gathering and reveal a lack of readily available data disaggregated by sex, and age.

Notwithstanding, the recommendations in the report could, if adopted, take a significant first step toward narrowing the gender inequality gap in the work place. For that reason, we fully support it.

Bloc Québécois -- Supplementary Opinion

Effects of the Employment Insurance System on Women

The Bloc Québécois would like to express its appreciation of the invaluable contribution made by the stakeholders and witnesses who took part in the study on the effects of the employment insurance (EI) system on women.

Having reviewed the report on the effects of the EI system on women, the fruit of a study that began in January 2009 and wrapped up in May 2009, the Bloc Québécois would like to express reservations about some of the recommendations. The Bloc Québécois would like to express its viewpoint on some of these by taking advantage of the right to append a supplementary opinion to the report.

• IMPROVING THE SYSTEM FOR ALL BENEFICIARIES

The Bloc Québécois has brought in a number of bills aimed at improving the EI system, and these have included some of the measures that appear in the current report:

- introducing a uniform qualification requirement of 360 hours, irrespective of regional unemployment rates (Recommendation 3);
- extending regular benefits to 50 weeks on a permanent basis (Recommendation 5);
- eliminating the two-week waiting period (Recommendation 6);
- increasing the benefit rate from 55% to 60% or more of average weekly insurable earnings for both regular and special benefits (Recommendation 7).

This enhancement of the system, proposed by the Bloc Québécois, was endorsed in February 2005 by a majority of the members of the Standing Committee on Human Resources Development.¹ However, it should be noted that the current report does not give self-employed workers, a category in which many women find themselves, access to regular benefits under the EI system as proposed by the Bloc Québécois and as recommended by the Committee in 2005 (Recommendation 22).

The Bloc Québécois also like to recall that the Standing Committee on Human Resources Development recommended (Recommendation 14) that average earnings be calculated on the basis of the best 12 weeks of insurable employment. This report proposes instead that earnings be calculated on the basis of the average of the best 14 weeks of insurable employment (Recommendation 8). In the opinion of the Bloc Québécois, the calculation should be based on the best 12 weeks.

¹ Report of the Standing Committee on Human Resources Development, Skills and Social Development and the Status of Persons with Disabilities: *Restoring Financial Governance and Accessibility in the Employment Insurance Program*.

<http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=1624652&Language=E&Mode=1&Parl=38&Ses=1>

- **THE IMPORTANCE OF REASSERTING QUEBEC AND PROVINCIAL JURISDICTION OVER FAMILY POLICY**

Social policies are clearly the responsibility of Quebec and the provinces, but the federal government is continually interfering where it has no right to intrude. For this reason, the Bloc Québécois plays the vital role in Ottawa of ensuring that the federal government does not hinder Quebec's ability to make its own social and economic choices and manage its own development.

The result, certainly, is that the federal government's visibility is greatly reduced, but this is entirely appropriate given its constitutional role. In Canada, Quebec is a leader in the area of family support. Financial support for parents is more generous in Quebec, and Quebec families enjoy advantages that have no equivalents in the other provinces.

The report, recognizing that Quebec leads the way in family policy, proposes in Recommendation 10 that the federal government:

- "make maternity and parental benefits as flexible and equal as the Quebec Parental Insurance Plan (QPIP) by expanding eligibility, benefit levels and duration of EI benefits";
- "extend benefits to the self-employed using QPIP as its model".

Despite this recognition of the expertise and efficiency of the Quebec system, the fact remains that Quebec must be the sole architect of its family policy. The Bloc Québécois would have preferred Recommendation 10 to recognize this aspect of QPIP as well by concluding with the following:

This recommendation does not apply to Quebec, which already has the expertise, the network and the contacts to identify and meet the needs of its citizens in its own area of jurisdiction. Quebec must therefore be fully and unconditionally compensated for any program that the federal government introduces in areas of jurisdiction of Quebec and the provinces.

It is odd that the Committee evades full recognition of the Quebec Parental Insurance Plan and Quebec's comprehensive family policy, since it is precisely this Quebec expertise that the members of the Committee recommend applying through Canada-wide accountability, which would in a short time result in shackling the freedom of action of Quebec and the provinces.

Without respect for Quebec's jurisdiction in this regard,² it could not have developed its own policies to reflect the unique features of its own citizenry. The Committee recommends introducing a new "coast-to-coast" policy without any concern for the fact that this would threaten QPIP and the family policy that is closely linked to it.

² It is important to recall that on March 1, 2005, Quebec City and Ottawa signed the Canada-Quebec Final Agreement on the Quebec Parental Insurance Plan. The agreement was a crucial step in implementing QPIP. Quebec assumed responsibility for parental leave as of January 2006, after more than 10 years of waiting and of legal proceedings involving the federal government.

In conclusion

The Bloc Québécois considers that the Committee's report reflects the interests of the workers who contribute to the EI fund and want to have access to it. The proposed enhancements to the system would allow easier access for workers who lose their jobs.

However, the Bloc Québécois would have preferred that the Committee reorient the proposed measures in a way that complies with federal areas of jurisdiction. Unfortunately, an approach that favours duplication and interference was adopted instead. While the Quebec Parental Insurance Plan is cited as a model for Canadian benefits, the fact remains that the Committee has chosen to ignore the advances achieved by Quebec's family policy. Furthermore, other measures proposed in the report's recommendations could also encroach on Quebec and provincial jurisdiction over family policy. The recommendations should be rethought in order to leave the way clear for the full and free development by Quebec and the provinces of their own family policies, using their own expertise in their own areas of jurisdiction.

**New Democratic Party
Supplementary Opinion May 13, 2009**

The House of Commons Standing Committee for the Status of Women heard evidence from a variety of experts that provided insight into the effects and consequences of the current Employment Insurance rules on Women. While New Democrats agree with the recommendations of the report, however the scope of the recommendations was too narrowly focused and do not take into account all the evidence presented. The Committee heard evidence demonstrating the need for the federal government to: implement a national childcare program, introduce federal pay equity legislation, create a poverty reduction strategy and restructure Status of Women Canada.

Women in Canada have the right and often a need to work outside the home for income or wages. As the primary caregivers, women are forced to make sacrifices. The Canadian patchwork child care system is not made with either women or children in mind. Canadian women and their families have a right to regulated, accessible and affordable child care. Women are penalized by the Employment Insurance program because they often need to work in non-standard employment in order to care for their children. **The New Democratic Party therefore recommends that Government of Canada establish a Universal Early Learning and Child Care plan by establishing a network of high-quality, licensed, non-profit childcare spaces.**

On average, women still make only 70% of what men make, even when employed full-time, year-round. Unequal pay hurts women and their families and makes women and their children more vulnerable to poverty. The right to equal pay for work of equal value is protected by the *Human Rights Act* and the *Charter*. **The New Democratic Party therefore recommends that the Government of Canada implement the recommendations from the 2004 Pay Equity Taskforce Report and legislate proactive federal pay equity legislation.**

According to the Canadian Research Institute for the Advancement of Women over 2.4 million women in Canada are living in poverty and make up the majority of the poor in Canada. These women are unlikely to qualify for Employment Insurance in the first place because they have been unable to secure adequate employment. **The New Democratic Party therefore recommends that the Government of Canada introduces a Poverty Reduction Act with firm targets and implements a durable, comprehensive and fully-funded affordable housing strategy.**

The current government made drastic changes to Status of Women Canada by closing regional offices and cutting funding for research, lobbying and advocacy activities. The Independent Policy Research Fund at Status of Women Canada provided valuable insight and information concerning the situation of women in Canada. Since the funding has been cut organizations are no longer able to provide this valuable research. Furthermore, funding cuts to organizations that advocate and lobby on behalf of women have meant that women's organizations in Canada no longer have the capacity to advance women's equality in Canada. **The New Democratic Party therefore recommends that the Government of Canada reopen the regional offices of Status of Women Canada, fund an independent policy research fund at Status of Women Canada and expand the terms and conditions of the Women's Program of Status of Women Canada to include research, advocacy and lobbying activities.**

