

Brief Submitted to the Federal Government

As Part of the 2024 Budget Consultations

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Mouvement autonome et solidaire des sans-emploi (MASSE)

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SUMMARY OF RECOMMENDATIONS

A - Improving access to EI

1. Establish the eligibility threshold at 350 hours or 13 weeks worked;
2. Abolish total exclusions from EI; and
3. Establish full coverage in the event of unemployment, regardless of maternity, paternity or parental benefits received;

B - Improving EI

4. Set a minimum floor of 35 weeks of benefits; and
5. Set the benefit rate at a minimum of 70% calculated on the best 12 weeks worked.

C - Other recommendations

6. Protect the EI fund; and
7. Exclude special benefits from EI.

INTRODUCTION

The Mouvement autonome et solidaire des sans-emploi (MASSE) wishes to submit its recommendations on the reform of Employment Insurance (EI) and its financial aspects to the ***federal government of Canada***, as part of the current budget consultations.

The recommendations in this brief are intended to address the various shortcomings of the existing EI program, which is struggling to provide universal protection adapted to the realities of the unemployed. By disregarding the particular situation of women on the job market, ignoring the particularities of seasonal employment and limiting access to benefits for part-time workers, the current EI program contributes to reproducing inequalities and keeping a large number of unemployed men and women in poverty and precariousness.

MASSE believes that an in-depth reform is needed, and that it should be part of a broader effort to ensure universal accessibility and fight discrimination. In so doing, MASSE calls for the introduction, without further delay, of an **accessible, fair, universal and non-discriminatory EI program**. The following recommendations are based on the following three points:

A- Improving access to EI ;

B- Improving EI;

C- Other recommendations.

A- Improving Access to EI

Recommendation 1:

Establish the eligibility threshold at 350 hours or 13 weeks worked

According to the 2019-2020 Employment Insurance Monitoring and Assessment Report, 90,500 unemployed men and women would potentially have been eligible for benefits had they accumulated a sufficient number of hours worked.¹ These contributors are already in a precarious situation, exacerbated by the total lack of EI benefits. A universal eligibility threshold of 350 hours or 13 weeks worked would expand access to EI coverage regardless of employment status, region of residence or gender.

Eliminate the unjustified reference to regional unemployment rates

MASSE considers it unjustified and arbitrary to determine the number of insurable hours required to qualify for EI benefits based on the regional unemployment rate. Individuals who lose their job, regardless of where they live in Canada, will have to face the same problems and support themselves while looking for a new job. What's more, the unemployment rate is not an indicator of the number of jobs available in a region.

Adapt to the growing presence of non-standard work and facilitate access to benefits for part-time workers

Canada's labour market is undergoing a profound restructuring, and more than a third of jobs in the workforce are atypical (contract, part-time, seasonal). Some employment sectors are particularly hard hit by these new forms of work: in addition to offering lower wages, the retail and restaurant sectors account for between 33% and 41% of part-time jobs.

MASSE believes that a hybrid measure (weeks and hours) would correct the inequities between full-time and part-time workers, with part-time workers being particularly disadvantaged under the current eligibility standard. In order to protect people fairly, regardless of their employment status, the number of weeks worked should be taken into account.

Combat the discriminatory nature of the program toward women

In 2017, 94.5% of permanent full-time workers qualified for EI benefits when they lost their jobs, compared with 69.3% of permanent part-time workers. Given that women are twice as likely as men to work part-time,² MASSE believes that the EI program must adapt to this reality and correct the

¹ Data from FY2022 are not typical due to the COVID-19 pandemic.

² Women are over-represented in these types of jobs, accounting for 69.3% of these workers in FY1819, according to the 2018-2019 Monitoring and Assessment Report.

program's discrimination against the women unfairly deprived of coverage in the event of unemployment.

Recommendation 2:

Abolish total exclusions

In 1971, penalties for voluntary leaving, discharge for misconduct and refusal of suitable employment resulted in a maximum loss of three weeks' benefits. Under the current provisions, not only do workers lose all entitlement to EI protection in the event of voluntary leaving or misconduct, but they also lose all accumulated hours of work from any previous employment.

MASSE considers these provisions to be unreasonable and calls for the abolition of total exclusions, for penalties to be limited to a maximum of six weeks of non-payment of benefits, and for the law to recognize that leaving a job to take up seasonal employment constitutes "justified" circumstances for voluntary leaving. This amendment to the *Employment Insurance Act* is necessary to **restore the entitlement to benefits in cases of voluntary leaving or misconduct, and to restore a balance in labour relations**. The desire to curb the risk of abuse in no way justifies undermining the fundamental freedom of workers to choose a job that matches their skills and needs.

Recommendation 3:

Provide EI protection regardless of maternity, parental or paternity benefits received

To ensure that the program no longer discriminates against women, MASSE calls for maternity and parental responsibilities be added to the reasons for extending the qualifying period and benefit period, so as to provide new mothers full coverage in the event of unemployment.

Under the *Employment Insurance Act*, a maximum of 50 weeks of benefits is payable when a person receives both special and regular benefits. However, when a child is born, mothers receive an average of 47 weeks of maternity/parental benefits out of a maximum of 50 weeks available. MASSE believes that the government has already taken too long to resolve this situation, which penalizes the majority of women who involuntarily lose their jobs during the perinatal period.

B - Improve the EI Program

Recommendation 4:

Set a minimum floor of 35 weeks of benefits

Give claimants enough time to find suitable employment

Currently, the number of weeks of benefits available to an unemployed person depends on the number of hours worked during the reference period, and the regional unemployment rate. Depending on these two variables, a person will be entitled to between 14 and 45 weeks of regular benefits.

MASSE disputes the legitimacy of this calculation - ***the unemployment rate does not measure the availability of jobs in a region*** - and believes that a minimum of 35 weeks of benefits constitutes a reasonable length of time for a job search, in view of the difficulties and obstacles that claimants may encounter during their search due to their gender, social status, age, education, profession, ethnic identity, work experience, economic situation, etc.

Reduce the duration of the “black hole” faced by workers in seasonal industries

Seasonal industries are an inherent reality of the Canadian economy; while the seasonality of employment is a characteristic feature of certain specific industries (forestry, agriculture, tourism, etc.), it is estimated that in some regions, more than a third of available jobs are seasonal.

Unfortunately, the EI program is still struggling to adapt: year after year, thousands of workers face the “EI black hole.” This refers to the period during which employees, whose company or industry has not resumed operations, have no income for several weeks, having exhausted the weeks of benefits they were entitled to. A minimum floor of 35 weeks could go a long way toward remedying this situation.

In order to rapidly combat regional decline and reduce the unjustified impoverishment of workers in seasonal industries, MASSE demands that, until such time as the 35 weeks minimum floor is established for all, **an additional 15 weeks of coverage** be granted to unemployed seasonal workers. This coverage is intended to meet the same objective as the pre-2012 pilot project, which was “to help those workers who are regularly experiencing an income gap between exhausting their EI claim and finding subsequent employment.”³ The five-week pilot project in Budget 2023 is far from sufficient.

Since the current definition of seasonal work prevents many seasonal workers from qualifying for the supplementary protection program, MASSE calls for the government to adopt the following definition: “Seasonal work is characterized by its repetitive, regular nature and its duration limited to certain specific periods due to climatic, social or administrative constraints, or due to the availability of raw materials. Furthermore, the concept of ‘seasonal worker’ does not relate to the person, but rather to the type of job performed.”

Recommendation 5:

Set the benefit rate at a minimum of 70% calculated on the best 12 weeks worked.

Raising the benefit rate to 70% of salary for all categories of claimants would counteract, at least in part, the sharp drop in income during unemployment and limit the debt burden of the unemployed. Calculating the amount of benefits to be paid based on the best 12 weeks in the reference year would also reduce the impact of less remunerative weeks on the amount of benefits.

The *1971 Employment Insurance Act* provided benefits equivalent to two-thirds (66%) of gross earnings for single people, and three-quarters (75%) for those with dependants. Today, Canada offers

³ Human Resources and Skills Development Canada, Strategic Policy and Research Branch, March 2010, Evaluation of the Pilot Project to Extend Employment Insurance Benefits by Five Weeks: 2004-2009, final report, p. 3.

one of the lowest benefit rates in the OECD, at 55% of earned income. At this rate, many unemployed men and women fall below Canada's official poverty line⁴.

C - Other Recommendations

Recommendation 6:

Provide a secure EI fund

Return government funding for the EI fund

Until 1990, the government - along with employers and workers - contributed to the EI fund. This contribution was in keeping with the principle that the State is partly responsible for unemployment. A return to government contributions and a tripartite funding system would provide workers with a social safety net that meets their needs.

Stop government misappropriation of the EI fund

Every year, nearly \$2 billion is diverted from the EI fund to finance employability programs and so-called "active" employment measures. MASSE believes that this is money stolen from the unemployed; contributions that are deducted for the purpose of compensating unemployed workers should be spent strictly for this purpose.

Recommendation 7:

Special benefits

For MASSE, it is clear that the State has a real responsibility toward people who are ill or caring for relatives, and that the benefits currently available could be improved.

However, MASSE believes that protecting against these social risks should not be the responsibility of an EI fund. As long as special benefits are provided within the EI program, they must not compromise access to regular benefits, and they must be funded by the government.

⁴ See: Government of Canada, *First Report of the National Advisory Council on Poverty* (February 24, 2021)