



# SECURING AN INCLUSIVE, EQUITABLE AND RESILIENT EMPLOYMENT INSURANCE PROGRAM FOR WORKERS IN CANADA

## FEDERAL RECOMMENDATIONS DECEMBER 2021

COVID-19 continues to take a devastating toll on many sectors of the Canadian economy, workers and families, while continuing to expose the inequities and inadequacies of our Employment Insurance (EI) program. Meanwhile, critical temporary EI measures and income supports that millions of laid off workers have relied upon have now expired.

Unifor, representing 315,000 workers in all sectors of the Canadian economy, calls upon the federal government to take the lessons learned during the pandemic, and strive to build an accessible, equitable, and resilient EI program for all workers in Canada.

### **HOW WE GOT HERE: EI'S EVOLUTION**

The fact that the EI system was ill prepared to deal with a mass influx of applicants during an economic crisis comes as no surprise for labour and community advocates. Over the past two decades alone, countless reports have been produced examining the overall state (and failures) of EI, while providing concrete recommendations on how to restore EI benefits to protect workers, and help modernize it to reflect the realities of today's increasingly precarious labour market.

EI issues experienced today can be traced back directly to policy changes beginning in the 1990s. Much of these were rooted in the unfounded claims of widespread program abuse and ideological beliefs of EI contributing to an increasingly 'idle' workforce.

These negative program changes included:

- benefit amounts being slashed and duration of benefits reduced;
- withdrawal of federal financial contributions;
- stricter eligibility and entrance requirements, including those voluntarily exiting their jobs becoming ineligible for benefits;
- benefit claw-backs for repeat claimants, those on social assistance or working multiple jobs; and
- a rebranding of the program from Unemployment Insurance to Employment Insurance.

Unsurprisingly, EI eligibility rates plummeted, from 80% in 1990 to 44.5% by 2008. Prior to the pandemic, we saw only 40% of unemployed workers in Canada, on average, receiving EI benefits—nearly the same coverage rate when the program first started over 80 years ago.

Beginning in 2016, minor changes were introduced by the Liberal government, yet many structural problems remain today.

### **BUILDING BACK BETTER**

In June of 2020, Unifor released an ambitious public policy document entitled Unifor’s Road Map for a Fair, Inclusive and Resilient Economic Recovery, which served as the foundation of the union’s national Build Back Better campaign. As the federal government looked to support recovery and rebuild the economy from the ravages of the pandemic, Unifor wanted to ensure that governments took advantage of this opportunity to build an economy that raises the quality and standard of living for all people in Canada and that would better protect workers during any future economic crisis. More recently, in June of 2021, Unifor released a Build Better EI Campaign report entitled Securing an Inclusive, Equitable and Resilient Employment Insurance Program for Workers in Canada, calling on the government to make significant changes to the EI program and outlining concrete recommendations aimed at expanding eligibility and improving benefits and administration.

### **RECOMMENDATIONS**

Unifor’s report: Securing an Inclusive, Equitable and Resilient Employment Insurance Program for Workers in Canada contains 24 policy recommendations on building a better EI program. A few highlighted recommendations from this full report include:

#### EXPAND EI ELIGIBILITY

Unifor recommends the Federal Government improve accessibility by:

- replacing the Variable Entrance Requirement (VER) with a Standardized Entrance Requirement of 360 hours across Canada basing the qualifying hours and duration for existing claims on the most favourable time period;
- improving access to EI during labour disputes, including benefits to workers during a lockout and removing the restrictive 85% return to normal production activity and workforce rule; and
- eliminating all disqualifications for quitting a job to return to school or to attend to family responsibilities and remove the “quit-fire” disqualification.

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## Federal Recommendations

### ENHANCE EI BENEFITS

Unifor recommends the Federal Government enhance benefits by:

- guaranteeing a minimum EI benefit floor of \$500 per week;
- increasing the income replacement rate to 75% of previous earnings from current 55%;
- eliminating the 50-week limit on combined special benefits and unemployment benefits and extend the reference and benefit period to at least 104 weeks; and
- increasing duration of benefits to 50 weeks in all regions across the country.

### IMPROVE ADMINISTRATION OF THE EI SYSTEM

Unifor recommends the Federal Government improve administration by:

- restoring regional EI liaison program officers;
- reviewing the financing of the EI program and reinstating federal contributions; and
- prioritizing funding for unemployed help centres and institute multi-year core funding.

**For a comprehensive list of Unifor's EI recommendations, please review our full policy report online at [buildbackbetter.unifor.org/EI](https://buildbackbetter.unifor.org/EI).**

