

Directors Guild of Canada

**Written Submission for the Pre-Budget
Consultations in Advance of the 2021 Federal
Budget**

7 August 2020

DGC  GCR
DIRECTORS GUILD OF CANADA
GUILDE CANADIENNE DES RÉALISATEURS

DGC's list of recommendations

- **Recommendation 1: (EI Expansion)**: That the government expand the Employment Insurance (EI) program to fully include a new category of entertainment workers, both as contributors and recipients.
- **Recommendation 2: (EI Extension)**: That the government extend EI Regular Benefits, on a temporary basis, past the maximum claim period by 4-week increments, until such time as government lifts all pandemic-related prohibitions.
- **Recommendation 3:** That the government institute a PanCanadian paid sick leave program that applies to all Canadian workers.
- **Recommendation 4:** That the government enacts a temporary flexibility for RRSP withdrawals (Registered Retirement Savings Plan) to make non-taxable, limited withdrawals with a loan repayment scheme over a defined period.

Introduction

The Directors Guild of Canada is a national labour organization that represents more than 5,000 key creative and logistical personnel in the film, television and digital media industries. DGC members are highly experienced professionals recognized around the world who work in all areas of production including design, editing, and direction. As contract workers they have experienced increased stress and significant financial hardship caused by the complete production shutdown.

Swift federal action during the crisis has provided a timely response to support workers in need. The DGC is grateful for the deployment of emergency support programs, such as the Canada Emergency Response Benefit (CERB) and the Canada Emergency Wage Subsidy (CEWS) who have helped to complement the workers income. However, our industry will need more time to progressively return to full capacity and we fear that without adequate continuous support mechanisms, film and television workers might leave an industry that took decades to build.

The audiovisual production sector is a vibrant and growing component of Canada's cultural industries. Indeed, 2019 was a record year for the film and television industry in Canada reaching \$9.4 billion in production volume and more than 180,000 jobs. Beyond the economic positive impact and job creation, it is important to recognize the special place the arts and storytelling hold in the Canadian culture and people's lives. These jobs deserve to be protected. Availability of skilled trades is a key draw for U.S. production companies filming in Canada, and is an essential ingredient in Canadian-based domestic production.

But today, despite best efforts by industry stakeholders, federal agencies as well as provincial and municipal governments to establish health protocols in each province for a safe return to work, the return to full capacity will be progressive and self-employed workers are at risk of not having enough coverage, such as paid sick days, and in the short term will continue to experience financial hardship.

The DGC also supports the producers' (CMPA) industry-wide re-insurance proposal presented to the federal government as this is the last remaining obstacle to fully restart domestic productions. If left unaddressed this would make a second industry shutdown devastating for our industry.

As we are about to reach the grim milestone of five months since the pandemic started in Canada, the federal government finds itself at a crossroad where it has to rethink emergency and support programs now and for years to come. The World Health Organization (WHO) recently warned that the current crisis is set to last and that "the way out is long". As a consequence, the DGC commends Prime Minister Trudeau and federal

government for the July 31 announcement of a transition from CERB to a modernized Employment Insurance program (EI).

The DGC understands that the government is focussed on the second phase of government support, which will lead to building a more comprehensive program for gig and contract workers currently ineligible to the traditional EI program. In this submission, the DGC makes recommendations to bring federal labour standards to the 21st century, as Canadian labour policies, most of which were created in the 1960's are now outdated and no longer as relevant to the current work paradigm.

- **Recommendation 1: (EI expansion):** That the government expand the Employment Insurance (EI) program to fully include a new category of entertainment workers, both as contributors and recipients.

The DGC is very appreciative of the federal government having the foresight to undertake the modernization of the employment insurance (EI) program as a result from the unprecedented crisis Canada and the world are going through. The success of the Canada Emergency Response Benefit program (CERB) has demonstrated the necessity of an employment insurance program available to all Canadians, including self-employed contract workers.

The DGC is fully supportive of the statement made by Prime Minister Trudeau on July 31, that "EI should cover every Canadian who is looking for work, and for those who don't qualify for EI right now, like gig or contract workers". Among our membership the average DGC member earns approximately \$75,000 in income from work on DGC signatory productions. These are no longer part time 'gigs' that serve to supplement income while seeking full time continuous employment. Rather, these are well paid, middle class union jobs with employer financed benefits and opportunities to build sustainable careers. The workplace paradigm has shifted, and the DGC has been a long-time advocate of the need to modernize EI so that entertainment industry contract workers can contribute to and receive full coverage.

The DGC is heartened by the government reassurance that they will create "a transitional, parallel benefit that is similar to Employment Insurance". The DGC is hoping that this new version of EI targeting contract workers will become permanent and provide them a full range of benefits.

Because of the contractual nature of their work, our members often work with multiple employers in the course of a year, however, the work relationship with each employer is no

different than for continuous employees. Film and television production workers need a specific regime that will allow them to both contribute and receive the full range of benefits, including paid sick leave.

The DGC has an extensive experience with these types of work-related issues and has built the expertise to respond to these challenges. The “gig” economy as we call it is not a new reality for our members. This is why we ask the government to closely examine the following factors to determine the eligibility to EI for entertainment workers: definition of job search requirements, number of hours worked, amount and duration of benefits.

- **Recommendation 2: (EI Extension):** That the government extend EI Regular Benefits, on a temporary basis, past the maximum claim period by 4-week increments, until such time as government lifts all pandemic-related prohibitions.

While productions are resuming, there is still an important number of film and television workers who either cannot return to work yet, or cannot resume work to pre-pandemic levels. These workers are highly motivated but will need support until they can reach financial stability. We therefore urge the government to institute temporary measures to extend EI Regular Benefits past the current maximum claim period, until pandemic-related prohibitions are lifted. This could be done in 4-week increments, to allow government to evaluate and monitor the situation, and terminate once the determination is made that the situation in each province has completely returned to normal.

- **Recommendation 3:** That the government implement a permanent PanCanadian paid sick leave program available to all Canadian workers.

With support from the Provinces for paid sick days, the federal government recently announced they will bring a temporary income support for workers with Covid-related work absences. Although the full details are not available yet, we are encouraged that this temporary measure might encompass the majority of Canadian workers currently without paid sick leave who need to protect themselves and their communities.

The DGC believes that a PanCanadian paid sick leave is an essential and logical component of a restart package allowing a safe return to work. It is also DGC’s view that ultimately it will translate into improved labour law ensuring that paid sick leave is accessible to all workers, all the time, and not just during the worst of times. The DGC strongly recommends making the 10-day sickness and caregiver benefit a key component of the transformed EI program.

Every worker needs the financial capacity to follow medical advice and stay home when sick. During the Covid-19 pandemic now more than ever a paid sick leave is an essential tool, but also valid for other day-to-day or short-term illnesses. We note that there is an ongoing trend where countries and jurisdictions to the expansion of paid sick leave. Recently, Colorado joined twelve other U.S. states in establishing a legal right to the equivalent of a 10-day paid sick leave for personal or family health needs. The law, once fully implemented, will provide a right to paid sick time to all workers in the state, regardless of industry or business size.

The indisputable success of the CERB and CEWS programs have taught us that in the course of this pandemic, immediate, easy-to-access and universal programs are the right approach to support workers, protect the economy and, of course, reduce transmission of Covid-19. For a paid sick leave program to be effective, it cannot create new barriers, uncertainties and inequities between workers. The EI program as well as the paid sick leave needs to be universal, seamlessly accessible, and without waiting periods.

DGC members contracts only allow them to have one sick day per contract which is not enough in the current situation. Typically, film and television workers move from one production to the next as if they are employees. The DGC recognizes the importance to have the employer involved in the process of delivering this paid sick leave, however, while the employer should be involved, the federal paid sick leave subsidy should not function as an additional subsidy for corporations.

Whether it is done through regulation or legislation, all continuous and self-employed Canadian workers should be able to take up to a ten-day leave related to Covid-19. A legislated paid sick leave is essential, through employment standard legislation provincially, and federally through the Canada Labour Code.

- **Recommendation 4:** That the government enacts a temporary flexibility for RRSP withdrawals (Registered Retirement Savings Plan) to make non-taxable, limited withdrawals with a loan repayment scheme over a defined period.

Government support programs, while widely used, are sometimes not enough to keep workers afloat until the situation returns to normal. An enhanced flexibility on RRSP withdrawals can be seen as a component of the staged emergency response by the government whose resources are already stretched thin.

DGC members can access the collective Canadian Entertainment Industry Retirement Plan (CEIRP), with 25,000 members across Canada and topping \$645 million in assets. DGC

wrote to Finance Minister Bill Morneau last April with a proposal allowing non-taxable and limited RRSP withdrawals. Using the same template as the Home Buyers Plan and the Lifelong Learning Programs, this temporary policy change would come at no cost for the government.

Film and television contract workers fluctuating income and in cases of hardship often leads to RRSP withdrawals before retirement. Statistics Canada data has also demonstrated that during times of economic hardship, larger sums of money are withdrawn from RRSP plans. This was the case during the 2008-11 financial crisis and it is even truer today during a once-in-a-century pandemic.

The amounts withdrawn by RRSP contributors usually remain small (mostly under \$15,000) according to data collected by Statistics Canada between 2000 and 2013. It is important to note that in today's circumstances the withdrawn amounts are generally used for immediate household expenses.

Moreover, there are already enough barriers and safeguards in place in the CEIRP retirement plan so that a limited number of members in need can withdraw in cases of extreme financial hardship. This represents a relatively small number that should not affect pension plan investments. **Our April 2020 proposal to temporary unlock RRSP is a last resort but much needed solution that can be used in combination with others forms of income support.**

All of which is respectfully submitted.

Directors Guild of Canada

A handwritten signature in black ink, appearing to read 'Dave Forget', with a stylized flourish extending to the right.

Dave Forget

National Executive Director