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# **Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget**

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## **RECOMMENDATIONS**

### **Recommendation 1 - CERB or Other Support**

That the government extend the CERB (Canada Emergency Response Benefit) until at least March 31, 2021 (with no cap on the maximum number of weeks for claim), or institute an equivalent income support program (see Recommendation 3), or until all provincial or municipal emergency legislation imposing crowd restrictions are lifted and government allows live performance venues to safely reopen. We further recommend increasing the \$1,000 monthly non-penalized earnings with a gradual claw-back of benefits, rather than termination of the benefit if maximum earnings are exceeded.

### **Recommendation 2 – Universal Basic Income**

That the government implement a Universal Basic Income (UBI).

### **Recommendation 3 – EI Expansion**

That the government expand the Employment Insurance (EI) program to fully include the self-employed, both as contributors and recipients.

### **Recommendation 4 – 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 imposed crowd restrictions.

### **Recommendation 5 – RRSPs**

That the government allow Canadians with Registered Retirement Savings Plan (RRSP) accounts to make non-taxable, limited withdrawals and to repay these withdrawals over a defined period.

## BACKGROUND

Canadian Actors' Equity Association (Equity) is the voice of professional artists working in live performance in English Canada. We represent close to 6,000 artists working in theatre, opera and dance from coast-to-coast-to-coast. Our membership includes performers (actors, singers, dancers), directors, choreographers, fight directors and stage managers. The Association supports the creative efforts of its members by seeking to improve their working conditions and opportunities. We negotiate and administer collective agreements, provide benefit plans, information and support and act as an advocate for its membership.

## RATIONALE

**The live performance industry was one of the very first sectors to be shut down and will be one of the last to safely return to work.**

Other industries like food, retail, transportation or tourism are hurting, but all have at least some commercial activity. People are still buying food and products, planes are flying, and many are vacationing closer to home, etc. This is not so in live entertainment. **Our industry is experiencing virtually 100% unemployment.**

Equity members are not out of work because they want to be but because their industry has completely shut down due to government imposed restrictions on crowd gatherings. All of the major theatrical producers and venues have announced 2020-2021 season cancellations, meaning the earliest that workers can resume their work is spring of 2021. For opera and musical theatre, this date is likely to be much later due to the 'super-spreader' nature of singing. Engagers are examining plans to return to theatres with social distancing guidelines implemented, but in many cases, this would require them to operate at 20-30% of regular capacity, which is financially unviable.

Equity members are highly trained and skilled professionals who work with great talent and passion. They almost never choose not to work. As freelancers, they work when there is work and for the foreseeable future there is no work on the horizon for them.

### **Why the Canada Emergency Wage Subsidy (CEWS) and Streaming/Recording Live Performances are Not Viable Income Sources**

Equity members in Canada are experiencing wage losses in the range of \$6.5 million every month. Our members, with few exceptions (stage managers, for example) work as self-employed contractors and therefore are not eligible to work under the CEWS. The CEWS is an excellent program. It has been an essential benefit to unions and member representative associations such as Equity. **But it does not provide any income support for our freelance members.**

Streaming and recording of live performances is much touted as a panacea for live performance at the moment. While a *pivot to digital* provides interesting opportunities moving forward there is no proof that Canadian audiences will pay extra for digitized material. Additionally there are two problems with digital as viable income sources for Equity's members.

First, the streaming of archival recordings of productions results in tiny payments (if any at all) to our members, nowhere near sufficient to replace their lost income from live performance. Second, live-streaming performances as a way to increase audience size and make live performance economically viable is an exciting possibility but requires extensive and expensive HD video equipment. Most live performance venues are not equipped at present, nor are specialist video crews readily available. Unless infrastructure and start-up funding are made available to Engagers, this is not a viable option as an income source for Equity members.

### **Potential Income Supports That Work for Arts & Culture Workers**

Equity members are grateful to the Government of Canada for the creation of the CERB and its subsequent extension. As most of our members were not eligible to collect EI, it was literally a lifesaver and has allowed them to provide for their families. But the majority of our members will be maxing out their CERB benefits in August. **There is no work on the horizon for them. Their need for financial support has not abated.**

Our members possess highly specialized skills that have taken many years to develop. General work in other sectors does not draw upon their specialist skills. Some of Canada's most experienced and skilled performers may be forced out of the profession - a generational loss to Canada's cultural landscape.

If arts and culture define a country and enrich the lives of its citizens, government must ensure that the workers who provide that culture are supported, so that when Canadians are finally able to attend a play, an opera, or the ballet, there are still artists to make it happen.

Equity and our partner associations have been making significant headway over the last few years to make Canada's stages more diverse and inclusive and better reflect the multiculturalism of Canada. Without income support, Equity members without financial reserves may be forced to quit the live performance industry and the diversity of the sector will be negatively impacted. It is imperative that a career in the arts is not restricted to those who are economically privileged. Losing this hard-won territory would be a devastating loss and set Canada back on its equity and diversity commitments.

## RECOMMENDATIONS BACKGROUND

### Recommendation 1 (CERB or Other Support):

We recommend that government extend the CERB until at least March 31, 2021 (with no cap on the maximum number of weeks for claim), or institute an equivalent income support program (see Recommendation 3), until such time as government lifts all imposed crowd restrictions and live performance venues can safely reopen.

Occasionally, entertainment workers are able to work small jobs or have side projects that generate modest income. Currently, if a CERB recipient earns even \$1 over the \$1,000 monthly earnings cap, they become ineligible for support that period. Workers are so afraid of losing that CERB lifeline that this cap prevents workers from “earning their way” out of needing support as the industry slowly reopens. We therefore recommend that a gradual claw-back of benefits be implemented rather than a termination of the benefit if the maximum earnings cap is exceeded.

### Recommendation 2 (UBI):

The *gig economy* is undermining decades of worker protections for unrepresented workers. However, arts workers have always been gig workers. Most are self-employed and their only support, the CERB, is about to end. Now is the ideal time to pilot a UBI program in Canada.

The implementation of a UBI would address the needs of workers, including arts workers, who often fall through the cracks of our outdated income support systems. It would address the issue of retention, particularly those workers who are just starting out in our industry and whose employment is typically sporadic. This would also aid in opening up our industry to a more diverse and inclusive workforce by removing some of the precarity of pursuing a career in the arts.

All Canadians, and particularly gig workers, would benefit from a UBI in which, as workers earn income, their benefits would be reduced, but not eliminated until a defined (“living wage”) threshold is reached.

### **Recommendation 3 (EI Expansion):**

Most arts workers are self-employed contractors experiencing inconsistent income from year to year. Currently, EI offers self-employed workers the option to partially opt-in. Participants are able to contribute to EI Special Benefits (i.e. maternity, parental, sickness and compassionate care), but are unable to contribute to - and are therefore ineligible for - EI Regular Benefits. Since 2010 when introduced, the enrolment for the Special Benefits program has been low (forecasted to only top 35,000 enrolments by 2025<sup>1</sup>).

Not allowing self-employed workers to participate fully in the EI program puts self-employed gig workers at a disadvantage. As gig and self-employed workers become a larger part of the workforce, the EI program must also evolve to accommodate them so that they can contribute to and receive full EI benefits available to traditional employees. Those who choose not to opt in would be ineligible for benefits.

An expansion of this nature would need to contemplate a transition period, under which all workers could receive benefits (or where some sort of income be paid to those in need), regardless of their contributions, until the industry has been open for long enough that workers have been able to fully contribute for a year.

### **Recommendation 4 (EI Extension):**

Virtually every major theatrical producer in Canada has announced the cancellation of their 2020-2021 seasons. Live performance work is seasonal, meaning the earliest the live performance industry will reopen is spring of 2021. While few in number, some workers, particularly Equity stage managers and other arts worker employees in our sister organizations, will need EI income support in place until they can return to the work for which they have spent their lives training. We urge the government to institute temporary measures extending EI Regular Benefits past the current maximum claim period, until crowd restrictions are lifted. We propose 4-week increments allowing the government to monitor the situation and terminate the extension once it is safe to congregate in sufficiently large groups to make live performance viable.

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<sup>1</sup> Chief Actuary '2019 Actuarial Report on Employment Insurance Premium Rate', Employment and Social Development Canada (<https://www.osfi-bsif.gc.ca/Eng/Docs/EI2019.pdf>)

### **Recommendation 5 (RRSPs):**

Government supports, while necessary and appreciated, will not always go far enough to cover all recipients' expenses. To address this, the Creative Coalition (of which Equity is a member) wrote to Finance Minister Bill Morneau in April with a proposal around RRSP withdrawals. We suggest a mechanism allowing Canadians to make a limited, non-taxable withdrawal from their RRSPs and repay the funds over a defined period of time, to ensure that their retirements are not adversely affected. The mechanism would function similarly to the First Time Home Buyers and Lifelong Learning plans.

In this time when government resources are also stretched very thin, it offers the Government of Canada the ability to ensure Canadians get access to much-needed funds at almost no cost to government. This program would also be temporary, and could terminate once the economy has returned to pre-pandemic levels.

### **CONCLUSION**

More than ever, the pandemic has underscored the importance of the arts in peoples' lives. Movies, television and music have comforted and provided needed escape allowing Canadians to survive the uncertainty and anxiety created by COVID-19. But art consumed at home is not the same as communities coming together. As recently stated by the Minister of Heritage, Stephen Guilbeault, "We have been there from the beginning for our artists and artisans, and we will continue to be there for them." At present, the pandemic shows no sign of ending. Therefore, a commitment to ongoing support for Canada's artists and arts workers is critical. Until it is safe to once again physically share the ancient practice of communities coming together to explore the human existence and story through live performance, our visionary artists will continue to need your support.