

**Brief from L.A.S.T.U.S.E. du Saguenay**  
**(Lieu d'Actions et de Services Travaillant dans l'Unité avec les**  
**Sans-Emploi)**



**Submitted to the Standing Committee on Human  
Resources, Skills and Social Development and the  
Status of Persons with Disabilities (HUMA)**

## **REVIEW OF THE EMPLOYMENT INSURANCE PROGRAM**

**For a fully protected, fair and universal  
program**

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## TABLE OF CONTENTS

About us.....	2
Purpose of the Act, rates, and overpayment .....	2
A true employment insurance program .....	3
Conclusion.....	5

## ABOUT US

L.A.S.T.U.S.E. (Lieux d'Actions et de Services Travaillant dans l'Unité avec les Sans Emploi) du Saguenay is an organization that defends the rights of unemployed persons, provides mutual aid and fights against poverty in the Saguenay subregion. Our organization aims to maintain a community space accessible to unemployed individuals by setting up resources to meet their needs, in addition to offering hospitality, support, advocacy (individual and collective), promotion, awareness and conversation services, as well as referrals and orientations for the appropriate community or government agencies. These services are aimed at individuals who are on social assistance, are unemployed, are non-unionized employees, have no income or were injured on the job or in traffic accidents. L.A.S.T.U.S.E. enables these individuals to inform themselves about their rights, be involved in making change and learn more to understand more.

We submit this brief in the hope that the voices of unemployed workers in the region and in the rest of Canada will be heard. We interact daily with unemployed workers and support them through the hardships of the current Employment Insurance program, which often leaves them in misery and despair.

## PURPOSE OF THE ACT

The Employment Insurance (EI) program was designed to enable workers in involuntary unemployment to receive an income until they can find employment. In other terms, EI creates a fund with premiums collected from workers and employers to compensate claimants. These premiums should not be used for any other purpose, such as employability.

The Supreme Court of Canada has repeatedly ruled on the proper interpretation of the purpose of the *Employment Insurance Act*, including in *Abrahams v. Attorney General of Canada*, [1983] 1 S.C.R. 2, and *Canadian Pacific*, [1986] 1 S.C.R. 678. In addition, the *Interpretation Act* (R.S.C. 1985, c. I-21) addresses the purpose of legislation in this manner:

“12. Every enactment is deemed remedial, and shall be given such fair, large and liberal construction and interpretation as best ensures the attainment of its objects.”

## **A TRUE EMPLOYMENT INSURANCE PROGRAM**

We need a universal plan. The issue of accessibility is at the very heart of our advocacy. The other ways of improving the employment insurance system are only truly of interest if benefits are accessible. To achieve this goal, we must first relax the eligibility criteria and then enhance protection for insured individuals.

### **A single eligibility requirement of 350 hours or 13 weeks**

In today's labour market, where an important portion of jobs created are part-time, on-call or contract jobs, it has become increasingly difficult to accumulate enough hours to qualify for EI.

We therefore call for a return to a single eligibility requirement of 350 hours or 13 weeks. This is absolutely essential to restore some fairness and equity to the system. An individual who loses their job should be in the same circumstances regardless of where they live in Canada.

### **A minimum of 35 weeks of benefits**

When an EI application is submitted, the benefit period is determined by the regional unemployment rate at the time and the number of hours worked. Note that, in regions where jobs are mostly seasonal (tourism, fisheries, forestry, etc.), the benefit period is determined at the end of the high season, when the unemployment rate is lowest. This kind of absurdity helps create the EI "black hole," which refers to the period between the end of benefits and the return to work. During this period, workers end up with no income. The lower the unemployment rate, the worse off seasonal workers will be in this regard. This recommendation is also based on the harsh reality of job hunting, which can often take several months.

### **A benefit rate of at least 70%**

The *Unemployment Insurance Act, 1971*, granted benefits at two thirds (66.6%) of gross wages for single persons and three quarters (75%) for those with dependents. Following several reforms, the rate was gradually reduced and finally settled at 55% in October 2000.

Job loss obviously causes financial problems for claimants and their family members. The situation is even more serious for those working precarious jobs, many of which pay low wages. The latter often have difficulty meeting their basic needs, jeopardizing their physical and mental health. A benefit of 55% of an already low salary does not allow an individual to meet their basic needs. All workers who lose their job must be able to live decently while looking for their next job.

**No disqualification of more than 6 weeks**

Since 1993, the consequences of voluntary leaving without just cause or dismissal for misconduct have been devastating. Not only is it impossible to receive unemployment benefits because the disqualification is indefinite, but all accumulated work hours from the job the person left or was dismissed from, as well as any previous job, disappear.

This indefinite disqualification means that many workers are subjected to psychological or physical harassment, receive threats, work in difficult conditions and remain in their job at the risk of their health. Many employers take advantage of this, knowing it is difficult to quickly find new employment. Note that Canada is a party to the *Universal Declaration of Human Rights*, article 23 of which states that “everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.”

**Protection regardless of maternity, parental or paternity benefits received**

All workers are entitled to full protection in the event of unemployment, regardless of any absences from the labour market related to pregnancy, childbirth or parental responsibilities.

**Elimination of the waiting period**

Each week of unemployment must be compensated for as quickly as possible.

**Earnings during a benefit period**

All claimants can receive up to the equivalent of 40% of the maximum benefit rate without reductions, and amounts earned above this threshold are to be deducted at a rate of 50¢ for each excess dollar.

**Increase in yearly insurable earnings**

Increase this amount to the level of the Québec Parental Insurance Plan, which was \$78,500 in 2020.

**Restoration of the government’s contribution to financing the system**

The government has a duty to ensure protection in the event of unemployment.

**Appeals of decisions by the EI Commission**

Return to a tripartite regional body.

**Cancellation of the allocation of earnings**

Cancel the allocation of earnings paid following complete severance of the employment relationship, as in some cases this may completely nullify the entitlement to benefits.

### **EI special benefits**

We agree that EI sickness benefits, for example, are insufficient, but EI special benefits should not be part of the EI system. Parliament's intent was clear: EI premiums should be used only to pay temporarily unemployed people.

### **Premium rates**

Historically, during the recessions of 1982, 1990, 2000 and 2008, the fund continued to realize surpluses with a premium rate of about 2.10%. That fact, combined with the assessments of the Chief Actuary, leads us to conclude that the premium rate for workers should be 2.00%.

### **Employment Insurance fund**

Establish a \$15-billion reserve that must be protected from government interference, influence and policy measures. This protection must be entrenched in the legislation. The EI fund must not be part of the Consolidated Revenue Fund, and any surplus must be used to improve the EI program. The 1.4:1 ratio of employer and employee premiums must remain.

### **Definition of seasonal work**

Seasonal work must be defined by industry and not by the date of application for EI, as some types of jobs vary widely depending on the region and climate.

## **CONCLUSION**

We could have gone on for longer, but the five-page limit prevented us from doing so. Still, the issues are now laid out, and we are willing to appear before the Committee to further develop our ideas.

Many years have passed since 1989, when both Conservative and Liberal governments began hammering away at the Employment Insurance program.

In doing so, these governments targeted EI for submission to the requirements of the Organisation for Economic Co-operation and Development (OECD). Like a parody of the film *Modern Times*, workers have become mere human resources, the fruits of their labour redirected to bear the sad banner of employability and to cut the deficit. Unemployment insurance, the product of a long struggle, was turned into a neoliberal employment insurance program.

Accordingly, we believe it is essential to address the needs of the people contributing to this plan and the impact of structural changes in the labour market.