



March 22nd, 2021

Submission to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

We at ACORN Canada would like to make a written submission to the Standing Committee on HUMA as it undertakes a review of Employment Insurance.

ACORN Canada, the Association of Community Organizations for Reform Now is a grassroots organization with 140,000+ members in 24 neighbourhood chapters across 13 cities. Our central purpose is to effectively represent and champion the interests of Canada's low-and-moderate income citizens on the critical issues of social and economic justice.

We need a Modernized, Inclusive and Non-Discriminatory EI system. Specifically, we request the committee to ensure the following:

- **Quick & comprehensive review of EI:** The pandemic has clearly exposed the issues inherent in the EI system, so much so that the government had to introduce a completely new benefit in the form of CERB to ensure that everyone had access to income support during a health and an economic crisis. For every worker to have access to EI, the system needs an overhaul. Hence, we suggest a comprehensive and quick review of EI.
- **Fund EI:** For the last 30 years, the federal government has not been funding EI. We need the federal government to resume its historic role and overarching responsibility to help **fund EI through general revenues**.
- Currently, the EI system is accessible to only some workers due to issues relating to the number of hours workers need to qualify for EI or due to the nature of their employment. Furthermore, the income support provided by EI is not adequate, especially for low-wage earners. Some changes have been made to the EI system, however those are temporary. Therefore, as part of the recovery, we suggest the following changes:
 - **Make EI accessible for all workers and lower the hour requirement consistently across the country to 300 hours.** It's impossible for many low-wage and precarious workers, in part-time and/or temporary jobs to access the system even when they pay into it. We need the level to be lowered to **300 hours or 12 weeks of insurable work** - whichever is better for the worker. Currently, a worker requires 120 insured hours to qualify for benefits because of a one-time credit of 300 insured hours in case of regular EI benefits — but this change is temporary.
 - **Expand the qualifying period to 3 years (like Denmark) making it easier to allow hard working people who have paid into the system to use it!** In Denmark, it is a requirement that you work full time for a minimum of 52 weeks (1,942 hours) if full-time, or at least 34 weeks (1,258 hours) if part-time,



within a period of 3 years. While changes have been made setting the minimum EI rate at \$500 a week with a maximum of \$573 per week, again, these are temporary during COVID.

- **Raise the benefit rates** for all workers to 75% of earnings; And **raise benefits to 100% of earnings for Low Wage Workers**. Many low wage workers earn below the poverty line and EI's 55 percent income replacement rates result in even deeper poverty, undermining its core purpose.
- **Increasing accessibility for all workers**. Many workers currently pay into EI but are barred access, due to immigration status and reasons for leaving jobs. The government must provide EI access for temporary foreign workers, seasonal agricultural workers, and international students who currently cannot access EI due to work permit restrictions.
- **Develop permanent ways for precarious workers to access EI, including the Self-Employed**. Currently, self-employed workers are excluded from EI because they do not pay into it. Workers are also increasingly misclassified as independent contractors or self-employed. We recommend that the federal government makes paying into EI special benefits mandatory for all self-employed workers. This includes a tax filing form to determine if the worker is truly self-employed, not a dependent contractor or misclassified employee. This will improve enforcement on misclassification of employees and also address some labour standards issues.
- **Ensure better support for educational opportunities** as many workers might have to transition from their jobs to another sector.
- **Working While on Claim & Work Sharing Benefit**. Especially during the pandemic, workers have *some* work, but not sufficient work to maintain living standards. We recommend modifying EI rules so that Working While on Claim Benefit and Work Sharing benefit is accessible when there is a large reduction in hours due to COVID-19.

We sincerely hope that you will listen to the voices of hundreds and thousands of low-income Canadians so that everyone is able to live a life with dignity.

Yours sincerely,

Marva Burnett
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ACORN Canada