

New EI 'Best Weeks' Rules

New Rules Mean Lower Benefits in Some High Unemployment Regions

When only 4 in 10 of the country's unemployed are receiving EI benefits in any given month, most Canadians would say that's the big issue. But there's another – the low benefit rates for those who receive EI.

Since 2005 the **14 Best Weeks** pilot project has helped bolster low EI benefits for workers with sporadic, uncertain schedules. It has allowed workers to use their 14 Best Weeks of earnings for calculating EI benefits.

Until April 6, the 14 Best Weeks pilot applied to **25 EI regions**.

Unions, community groups and opposition parties have argued that the pilot project should apply to all regions and the requirements reduced to 12 Best Weeks. It was never just about workers in the Atlantic region. Precarious jobs are found everywhere.

The government chose instead to introduce a Budget 2012 measure they call **Variable Best Weeks**. It will apply to all regions effective April 7, 2013.

What's the Impact?

Regions previously excluded will see some better benefit rates (although a 14 Best Weeks formula would have been a more significant improvement).

On the other hand, **some high unemployment pilot project regions will see lower EI benefit rates for some of their new EI claimants.**

Only 9 of the 25 pilot regions will still use 14 Best Weeks during the period April 7 to May 11. **The majority, the other 16, will not.** New claimants in those regions will be required to include more weeks of low earnings.

Only workers in a region with unemployment of at least 13.1% will get EI benefits based on their 14 Best Weeks earnings. Others face a tougher formula of 15 to 22 Best Weeks which means that more weeks of low earnings are included in the calculation. **It will mean lower EI benefits for some vulnerable, low income workers.**

Why is this Happening?



The Government is using a **new threshold for high unemployment**. The threshold for the 14 Best Weeks pilot project was **8% unemployment**.

Now it's being raised dramatically, to **13.1% unemployment**. Only regions with unemployment above 13% will qualify for 14 Best Weeks.

From April 7 to May 11 **the majority of EI regions (35 of 58 regions)** will be calculating EI benefit rates for new claimants based on **20 to 22 weeks** of earnings. This includes populous cities like St. John's, Halifax, Montreal, Sudbury, Hamilton, Winnipeg, Regina, Calgary and Vancouver.

If 8% was still the trigger for high unemployment, 20 of the 25 pilot regions would be using 14 Best Weeks during April 7 to May 11.

When High Unemployment was 8%

Back in 2008 when the extension of the 14 Best Weeks pilot project was announced and again in 2010, the government said *'The Best 14 Weeks pilot project will be tested in EI economic regions where the unemployment rate is currently 8 per cent and above.'* It made sense. Unemployment rates above 7 or 8% are typical of an economic downturn, even a recession.

Resounding Silence about New Trigger of 13.1% Unemployment

From a government April 30, 2012 media release:

Living in a non-pilot region, John's benefits are calculated based on his average income during the 26 weeks before he files a claim. Since Mel lives in a region participating in the current pilot project, his benefits are calculated based on his best 14 weeks over the past year. Under the new Best Variable Weeks calculation, both John and Mel will have their benefit rate calculated based on their best 17 weeks of income over the past year.
[http://www.actionplan.gc.ca/en/backgrounder/backgrounder-employment-ei](http://www.actionplan.gc.ca/en/backgrounder/backgrounder-employment-insurance-ei)

- The government announcement claims the new formula is necessary to achieve equity across Canada. But an 8% unemployment trigger for 14 Best Weeks also achieves equity.
- The government has never presented any evidence of the need for a harsher formula using a 13.1% unemployment trigger for 14 Best Weeks, instead of 8%.

New Formula will Adjust Regional Requirements Each Month

Variable Best Weeks will use regional unemployment rates to determine EI requirements for new claims in the coming month. EI regional unemployment rates (an average of the 3 previous months) are based on StatsCan's monthly Labour Force Survey. http://srv129.services.gc.ca/eiregions/eng/rates_cur.aspx.

An Example

A worker's benefit rate will be fixed at the start of the EI claim for the full duration.

Tom is laid off May 3 in a region with 8.1% unemployment. His benefit will be calculated on his 19 Best Weeks of earnings during the last 52 weeks.

Maria, a co-worker, is laid off only 2 weeks later, but after new unemployment rates are posted. If regional unemployment is now 8.0% (actually, 8% averaged over the previous 3 months), her benefit rate is calculated on her 20 Best Weeks – which may mean lower EI benefits. How is this fair?

New 'Variable Best Weeks' calculation rates

(replacing '14 Best Weeks' effective April 7, 2013)

E.I. Regional Unemployment Rate	Number of weeks used for EI benefit calculation	How it impacts 25 EI pilot project regions. Instead of automatically qualifying for 14 Best Weeks here's what happens to new claimants in those areas between April 7 - May 11, 2013. (e.g. Windsor uses 19 weeks instead of 14 weeks)
6% or less	22	
6.1% to 7%	21	St. John's
7.1% to 8%	20	Central Quebec, Trois-Rivières, Chicoutimi-Jonquière (Saguenay), Huron
8.1% to 9% 8% or more triggered '14 Best Weeks' in pilot regions	19	Oshawa, Northern Alberta
9.1% to 10%	18	Windsor, Northwestern Quebec
10.1% to 11%	17	Lower Saint Lawrence and North Shore, Niagara
11.1% to 12%	16	Western Nova Scotia, Prince Edward Island, Northern B.C.
12.1% to 13%	15	Madawaska-Charlotte, Northern Ontario
13.1% or more trigger for 14 Best Weeks in new 'Variable Best Weeks'	14	Newfoundland-Labrador, Eastern Nova Scotia, Gaspésie-Iles-de-la-Madeleine, NWT, Restigouche-Albert, Northern Manitoba, Northern Saskatchewan, Nunavut, Yukon

Regions like the Greater Toronto Area were not part of the 14 Best Weeks pilot so the new formula will mean better rates for some. BUT that may change in future months and meanwhile family, friends and co-workers in Oshawa and Niagara lose out immediately. We'd all be better off if the 14 Best Weeks pilot project had been extended country-wide as proposed and Toronto with 8.5% unemployment this month would be using 14 weeks instead of 19 weeks.

Prepared for the Good Jobs for All Coalition: LR Apr 5/13

