

Scrap the EI Changes !

The Conservative Government introduced major changes to Employment Insurance in its 2012 Budget Bills C38 and C45 ... with negative impacts for workers right across Canada.

A *Discriminatory 3 Tier System*

Workers across Canada should have equal rights to EI social insurance, without discrimination. But new EI rules will create 3 classes of unemployed. They'll be held to increasingly tough job search rules based on their layoff history:

- Long Tenure claimant
- Occasional claimant
- Frequent claimant.

Fully 2/3 of regular EI claims are made by people who fall in the 'occasional' or 'frequent' category... not surprising given the growing number of jobs that don't offer full year work, from hotels to call centres.

This isn't just about seasonal work in Atlantic Canada. The majority of 'frequent' claimants live in Ontario and Quebec.

When Ottawa tried 'frequent claimant' penalties in the 1990s they had to drop them after studies showed no impact on the frequency of layoffs... just more hardship for the unemployed and their families.

P *ushing Cheap Labour: The New Job Search Rules*

New EI job search rules require you, after a fixed number of weeks on layoff, to apply for jobs:

- outside your normal occupation
- paying 10% to 30% less than the job you were laid off from.

But it's not good economic policy to force people to take these kinds of jobs or risk getting cut off EI. It's a tremendous waste of workers' skills. And it creates problems for many companies. It also sends the wrong signals to employers – encouraging a downward spiral of cheap labour.

The changes resemble new rules for the Temporary Foreign Worker program that let firms pay migrant workers 5% to 15% below the going rate. The government's agenda comes through clearly in this recent statement by HRSDC Minister Diane Finley: *"This is going to impact everyone because what we want to do is make sure that the McDonald's of the world aren't having to bring in temporary foreign workers to do jobs that Canadians who are on EI have the skills to do."*

"There is no bad job" says Federal Finance Minister Jim Flaherty



Canadian workers are being pitted against migrant workers in a race to the bottom for lower and lower wages. Instead of encouraging McDonald's to provide decent jobs, the government is saying 'any job is good enough'.

I *t just got a Whole Lot Harder to Appeal Unfair EI Decisions*

Ottawa is bringing in a more legalistic, less worker-friendly appeal process. It will make it harder to enforce our rights.

Despite a broad consensus that the EI appeal system is efficient and fairly represents all stakeholders, the Conservatives have insisted on a complete restructuring.

The balanced, tripartite EI Board of Referees and EI Umpire will be replaced by a new Social Security Tribunal starting mid 2013.

Instead of an informal process and a 3 person Board of Referees with people appointed by business and labour who know the local community as well as EI law, the government will appoint their own 1 person 'expert panel'. This means the appeal process will no longer be independent of government. Other changes:

- fewer in-person hearings; most by phone
- claimant appeal time limits cut from 60 to 30 days
- special permission required to appeal to Tribunal.

P *ilot Projects: Not Exactly as Advertised*

The government advertised the extension of 2 long-standing EI pilot projects as if improvements were being made for all claimants. Not so.

Low paid workers will be hardest hit by changes to the **Working While on Claim** pilot project. Only select claimants are allowed to use the old formula that lets low paid workers keep more earnings - and even then,

Ottawa has made it very difficult for them to apply for that formula.

In April a new **Variable Best Weeks** measure will replace a pilot project that used a threshold of 8% unemployment for 'best 14 weeks'. Unemployment over 8% is normally a sign of a recession and the 'best 14' formula improves EI benefits for those with weeks of low earnings. The government has moved the threshold to 13% unemployment for 'best 14'. A new formula of 'best 15 to 22' will reduce benefits for many in pilot regions like Oshawa and St. John's.

Conservatives also abandoned 3 pilot projects that provided an extra 5 weeks in high unemployment areas, extended EI for those in training and lowered qualifying hours for new entrants. In 2009 G20 leaders promised to avoid withdrawing such supports with a still fragile recovery.

J *eopardy to EI Financing*

The government suspended the Canada Employment Insurance Financing Board but failed to mention the unworkable 'pro-cyclical' financing rules they required the CEIFB to follow. Each year the government had to override CEIFB's recommended EI premiums. Now the government gets to do as it wishes, at least until 2016.

Lest we forget... in 2008 when Ottawa created the arms-length CEIFB to oversee EI finances they used the occasion to dump \$55 Billion of the \$57 Billion the government owed the EI Account, plus millions in annual interest.

New Unilateral Powers

The Budget shifted parts of the EI Act to EI Regulations. This allows the Minister to dictate more changes with no debate in Parliament.

The tough new regulations on job search requirements and 'suitable employment' are just one example. In December the government suddenly announced that Temporary Foreign Workers with lapsed SIN numbers can no longer collect EI maternity, parental or compassionate care benefits. Many come here year after year, paying EI premiums all the while, but now they're denied the few EI benefits they could actually access. Who's next?

We can expect more of these unilateral announcements.

Service Canada Cutbacks

Is Service Canada becoming a ghost town? Already hard hit by staff cuts, the government has told HRSDC Service Canada unions that 2,100 more positions will be eliminated as a result of the 2012 budget. Entire offices are being closed.

These are the people who support and deliver EI services. Canadians across the country will inevitably be hurt as wait-times increase and services are reduced.

Last winter the media was full of stories about EI processing delays and unresolved files. Today many calls to the 1-800 call centre are not even transferred due to high volumes.

And EI Improvements?

EI belongs to the workers of this country. We need to make it work for us.

The EI social insurance program must be there for us when we need it most – because of layoff, job loss, work sharing, training or maternity, parental, compassionate care or sick leave. Improvements are needed.



- **Cut qualifying hours to 360** and open access to more workers in part-time and short term jobs.
- **Longer claim durations.** Claims are often very short and Budget 2012 ended all the special extensions.
- **Benefit rates should be increased** to at least 60 or 66% of normal pay. Rates are very low at 55%, about half normal pay. That's very hard to live on, whether you've just been laid off or had a new baby.

See our EI petition at
www.goodjobsforall.ca

The New Job Search Regulations on “Suitable Employment”

Class of EI Claimant	Definition	Job Search Requirement: Wages*	Job Search Requirement: Type of Work
Long Tenure	<ul style="list-style-type: none"> • paid EI premiums for 7 of last 10 yrs and • no more than 35 weeks regular/fishing EI in last 5 yrs 	First 18 weeks on EI = 90% of prior wage	Usual occupation
		After 18 weeks = 80% of prior wage	Similar job
Occasional	All claimants not qualifying as either Long Tenure or Frequent	First 6 weeks on EI = 90% of prior wage	Usual occupation
		After 6 weeks = 80% of prior wage	Similar job
		After 18 weeks = 70% of prior wage	Accept any job able to perform, with on-the-job training if required
Frequent	in last 5 years <ul style="list-style-type: none"> • 3 or more claims for regular/fishing EI and • more than 60 weeks regular/fishing EI 	From start of claim = 80% of prior wage	Similar job
		After 6 weeks = 70% of prior wage	Accept any job able to perform, with on-the-job training if required

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* but not lower than the prevailing minimum wage

