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Dear Scarborough MP's

Congratulations to each of you on your 2019 victories in the federal election. It is a testament to each of you as your victories underscore that you understand the unique needs of Scarborough as part of a renewed mandate in Parliament. We look forward to working with you.

We agree that your Government has done much to alleviate poverty through the Canada Child Benefit and the Canada Workers' Benefit which will be of great help to low income workers in Scarborough.

Scarborough has the highest rate of working poverty (almost 10%) in the GTA. The devastating impacts of precarious and gig work is felt in Scarborough more than anywhere else in the country. EI could help to mitigate this situation, but presently it's not doing so.

In greater detail, it is important that you know that:

- Scarborough has the lowest non-poor work force participation rate in the GTA at 65%
- Scarborough has the highest rate of working poverty at 9.7% of workforce in the GTA
- Scarborough has the highest rate of non-working poor people in the GTA and 10.6% of Scarborough's population receives social assistance – either Ontario Works or ODSP

In addition, Scarborough lost employment between the censuses of 2006-16, one of only two GTA districts to lose jobs.

The reality is that many working poor workers in Scarborough will continue to pay into Employment Insurance with little prospect of ever making a successful claim. They require 700 hours of insurable employment to qualify. At the standard hours of 30 per week in the service industry, they would need over 23 consecutive weeks of earnings to be eligible. In the gig economy characterized by precarious 'last hired – first fired' work, this is often not possible. Still they pay into EI helping others to collect in other provinces where the rules are less onerous.

In 2015, Prime Minister Justin Trudeau issued a mandate letter to ESDC Minister Jean Yves Duclos that contained the following passage:

*"Improve our Employment Insurance (EI) system so that it is better aligned with the realities of today's labour market and serves workers and employers. This would include:*

- *undertaking a broad review of the EI system with the goal of modernizing our system of income support for unemployed workers that leaves too many workers with no unemployment insurance safety net;"*

That review did not occur and it stands as the only requirement in his mandate letter that was neither started nor finished.

With the new government of 2019, responsibilities for the EI program has been transferred to Minister Carla Qualtrough, Minister of Employment, Workforce Development and Disability Inclusion.

Her mandate letter lays out plans for EI:

*“You will have carriage of the Employment Insurance program. You will lead the Disability Inclusion file, implementing our Disability Equality Statement.*

*I will expect you to work with your colleagues and through established legislative, regulatory and Cabinet processes to deliver on your top priorities. In particular, you will:*

- *Fulfill our commitments to strengthen Employment Insurance, including the development of new Special Benefits models;*
- *Reform the delivery of Employment Insurance maternity and parental benefits to be tax-free at source. This will include a comparable benefit for the portion of federal taxes that residents of Quebec pay as part of the Quebec Parental Insurance Plan;*
- *Introduce a 15 week leave for adoptive parents, including LGBTQ2 families; Work with the Minister of Families, Children and Social Development to develop a Guaranteed Paid Family Leave program. Together, you will improve and integrate the existing Employment Insurance-based system of maternity and parental benefits, as well as the Canada Child Benefit, with a guaranteed income during the first year of a child’s life; and work with Quebec on effective integration with its own parental benefits system;*
- *Create a new Career Insurance Benefit for workers who have worked for the same employer for five or more years and have lost their job as their employer ceases operation. This new Benefit will begin as Employment Insurance ends and will not be clawed back if other income is earned;*
- *Improve the current pilot project for seasonal workers with a permanent program that provides consistent and reliable benefits;*
- *Extend Employment Insurance sickness benefits from 15 weeks to 26 weeks; With the support of the Minister of Innovation, Science and Industry, work with Statistics Canada to strengthen local labour market data so that Employment Insurance can better reflect local labour market realities; and*
- *With the support of the Minister of Public Safety and Emergency Preparedness, create a new Employment Insurance Disaster Assistance Benefit. This new Benefit will be developed in consultation with experts, workers and employers. It will replace lost income when families need to temporarily stop working to protect their homes or need to relocate for safety reasons.”*

Although Minister Qualtrough's mandate letter is much more specific and sets out a broad set of changes for EI, the previous "... *goal of modernizing our system of income support for unemployed workers that leaves too many workers with no unemployment insurance safety net*" appears to have been completely abandoned.

In Canada's Fiscal Update on December 16, 2019, the Finance Minister indicated that already announced decreases to EI premiums for employers and employees for 2020 would further decrease in 2021. For 2020, employee premiums drop to \$1.58 per \$100 of insurable earnings and employer premiums drop to \$2.21 per \$100 of insurable earnings.

This means – in part - that as the EI program receives fewer contributions, the Variable Entrance Requirement (VER) and duration of benefits rules will stay in place unchanged. For low income workers in the 'gig economy' and who work at precarious jobs whose duration is less than the VER thresholds, they will continue to pay into EI without a reasonable prospect of ever receiving it.

For areas like the Toronto Region (and others) with the toughest EI entrance rules, most low income workers paying into the program will not be covered for EI.

The fact that your government will not be conducting the promised general review of the EI programs is a major disappointment and a lost opportunity for all Canadians but even more so for Scarborough which is particularly hard hit.

Each of you individually and especially as the Liberal Scarborough caucus, have a strong voice in Parliament.

Your district has the highest levels of working poverty combined with the toughest EI rules and highest levels of job loss in the country.

You should not allow a mandate letter promise to be ignored.

You should not accept a new mandate letter to the federal minister responsible that allows this promise to be forgotten.

We urge you to stand up for the working people of Scarborough.

We ask you to ask the Prime Minister to reinstate the expectation he put in writing to his Minister responsible only less than 5 years ago.

We ask you to meet with Minister Qualtrough and to tell her that there must be a general review of the EI program.

For Canada – For Ontario – For Toronto and – for Scarborough

Signatories

Power in Community  
Voices of Scarborough  
Social Planning Toronto  
West Scarborough Community Legal Services  
Open Policy Ontario  
Social Assistance Coalition of Scarborough

