

CLC Analysis of EI Bill C-50

Bill C-50 addresses the needs of claimants whose benefits began after January 4, 2009, and who have claimed less than 35 weeks over the last five years. They will get from five to 20 extra weeks of benefits depending on how long they have been paying into the EI system.

The government estimates that 190,000 workers will qualify over the life of the program at a cost of just under \$1 billion. The payments will be made over the final months of 2009, 2010, and until the Fall of 2011.

If the Bill is not passed by mid-October, workers otherwise at the front end of this temporary program will not qualify. The start date would be pushed forward by any delay.

The maximum additional weeks for those who have been paying at least 30% of their maximum annual premium in seven of the last 10 years (i.e. earning more than about \$13,000) is five weeks. To get more, a worker has to have been paying in for a longer period of time. To get the full 20 weeks, a worker has to have paid in for 12 to 15 years.

The measures are temporary and will apply to new claims filed since January of this year (if the Bill is passed by October 15), and will not apply to new claims filed after September 11, 2010. However, there are additional clauses that significantly cut the benefits for new claims filed after June 6, 2010, again graduated according to how long they have been paying into the plan. (See table.)

The target group is very explicitly older workers who have made very limited use of the EI system — meaning younger workers, many women, workers in high unemployment regions, workers in seasonal industries, and many industrial workers will not qualify. That is why only 190,000 will qualify over three years compared to 1.6 million unemployed workers today.

Receipt of special benefits is not counted as part of the 35-week cutoff, but many women will not qualify because they have taken time out from work over past years.

The 35-week cutoff will exclude many industrial workers who have been temporarily laid off to reduce inventories, to allow for retooling of plants, and other normal workforce fluctuations in operations. It will also exclude many of the earlier victims of the manufacturing and forestry jobs crisis.

The 35-week provision will most likely exclude many current and future EI claimants in provinces which experienced relatively high unemployment over the past five years – notably Atlantic Canada, Quebec, and rural and northern regions in other provinces.

The cutoff will also exclude many workers who have made use of the EI system in the past because they have been unemployed through no fault of their own. Fair accessibility to the system is not addressed in this Bill.

Bill C-50 is focused on older workers, and is a small step to address the effects of the recession on long-term workers who face an uncertain future. They are not the only measures the government could have proposed given the recommendations of its own Task Force on Older Workers and long-standing CLC proposals.

While the measures will help some older workers, they are temporary, and will end in 2011.

Proposed Eligibility Table for Additional Weeks of EI Regular Benefits (for illustrative purposes only, and assuming a retroactive start date of January 4, 2009)

Number of years paying premiums*	7 to 10	8 to 11	9 to 12	10 to 13	11 to 14	12 to 15
Claims starting between January 4, 2009 and June 5, 2010						
Additional weeks of EI regular benefits	5	8	11	14	17	20
Claims starting between June 6 and July 10, 2010						
Additional weeks of EI regular benefits	0	3	6	9	12	15
Claims starting between July 11 and August 7, 2010						
Additional weeks of EI regular benefits	0	0	1	4	7	10
Claims starting between August 8 and September 11, 2010						
Additional weeks of EI regular benefits	0	0	0	0	2	5

*Note: the first figure refers to the number of years paying at least 30% of the annual maximum EI premiums, and the second number refers to within how many years the contribution occurred. For example, seven years of contributions within the last 10 years.

AJ:jc:cope 225
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