

May 4, 2016

The Honourable MaryAnn Mihychuk, P.C., M.P.  
Minister of Employment, Workforce Development, and Labour  
House of Commons  
Ottawa, ON K1A 0A6

Dear Minister Mihychuk:

We are encouraged by your commitment to review and improve Employment Insurance. EI is a critical component of our social insurance system, and it is long overdue for some thoughtful reforms. We want to share our perspective on short-term and longer-term goals for EI reform.

## Budget 2016

We want to congratulate you on several important reforms to Employment Insurance that were introduced in Budget 2016. These reforms will make a very real difference in the lives of many unemployed workers. Specifically, we were encouraged to see that you:

- reduced the 910 hours threshold for new entrants/re-entrants as of July 2016. This will be a meaningful change in access for young workers, recent graduates, and new Canadians.
- made investments in front-line staff that will reverse substantial cuts made to EI administration. This will reduce delays and confusion for unemployed workers.
- extended the length of work-sharing programs from 38 weeks to 76 weeks. We encourage the government to work with employer and worker groups to increase awareness of this program, as it can be very effective, but take up is low.
- extended benefits for some unemployed workers.

## Changes that were punitive to unemployed workers

There is still much work to do in making the EI system work for workers. Your mandate letter includes the commitment to repeal “the recent changes to the EI system that have been punitive to unemployed workers.” We have carefully followed these changes and their impact on workers.

The best-known component of these changes divided unemployed workers into three categories: long tenured workers, occasional claimants, and frequent claimants. Workers with limited work experience or more EI claims were expected to seek lower wage jobs, in fields outside their previous work experience, at greater distances from home. The definitions of “suitable employment” and “reasonable job search” were removed from legislation and redefined in regulations. These changes created confusion and fear for unemployed workers, especially for those whose work is often seasonal.

Budget 2016 changed some of the punitive EI reforms, but not all of them. In particular, the definition of long-tenured worker was moved from regulations into the legislation. The labour movement has long opposed different benefit levels based on a worker’s labour market experience.

Other changes which have been punitive to workers include:

- abolishing the Board of Referees’ appeal process and implementing the formal request for reconsideration process and the Social Security Tribunal (SST);
- eliminating the Best 14 Weeks pilot project that implemented a single national entrance requirement for calculating benefit levels; and
- creating additional EI regions for PEI and in the territories.

Some of these changes can be fixed immediately, and some will be part of a longer-term review.

As it stands, the SST is not working for workers. Immediate changes that would be good for workers include an increase in transparency and information flows from the SST, an increase in staff to eliminate delays, and more face-to-face hearings. We understand there are no plans to return to the Board of Referees system, but we do think the functionality of the SST should be part of the broader review of Employment Insurance.

Immediately reinstating the Best 14 Weeks pilot in place of the current “Variable Best Weeks” would make benefit levels fairer for workers across Canada. Allowing EI recipients to calculate benefit levels based on their weeks of highest earnings results in higher weekly benefits for workers whose hours of work vary. Since precarious workers are found even in urban centres with low unemployment rates, there should be a single national standard for determining benefit levels.

Regarding the extension of Employment Insurance for hard-hit regions, in our view, it is more appropriate to extend an additional 5 weeks of benefits to all unemployed workers temporarily, rather than restrict access to this pilot by regional conditions. The local unemployment rate is only one factor in how quickly and easily a worker is able to find new employment.

Finally, in 2014, the former government created additional EI regions in PEI, Nunavut, Northwest Territories, and the Yukon. These new regions created

significant discrepancies in access and duration of benefits for workers who are effectively operating in a single labour market. We ask that the government to immediately reverse these new regions.

### **Transparent Service Standards**

While your government has taken a critical first step in improving service delivery by adding well-trained staff, we have several other recommendations which we think would be helpful in reaching your goals. These include reinstating community liaison staff, assigning resources to outreach when layoffs occur, holding information sessions with workers near the beginning of their claim, improving enforcement of employers who fail to submit Records of Employment (ROEs), and doing proactive outreach with targeted groups such as young workers and new Canadians.

As part of the longer-term review process, we would like to see consultation around acceptable standards for service delivery. Such a review should keep in mind there are frequently literacy and computer access issues for unemployed workers which complicate service delivery. As well, measurement of service standards should never sacrifice quality in the interest of efficiency.

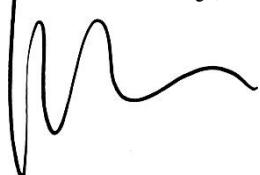
### **Undertake Broad Review**

We support a broad review of our unemployment insurance system. We feel that EI plays an important role as a social insurance fund, and as an automatic economic stabilizer in tough times. Benefits don't simply accrue to individual workers, but to the economy as a whole, improving labour force attachment and labour productivity. We want to make sure EI is working well in each of the important roles it plays.

One of our longer-term priorities for EI is to restore the tripartite system which has been weakened over time. In the past, there have been advisory bodies with input into and oversight of program decisions. Worker input is key to making sure the system meets the needs of unemployed workers.

We look forward to working with you and your team to restore humanity to the Employment Insurance system.

Yours sincerely,



Hassan Yussuff,  
President

Cc: CLC Officers and Assistants  
CLC Canadian Council Members  
Mary-Lou Donnelly, EI Commissioner for Workers