



**WORKERS' RIGHTS ARE NOT NEGOTIABLE
FIX THE EMPLOYMENT INSURANCE SYSTEM!**

Fact Sheet:

EI must change to meet worker needs

Federal budget does nothing to fix arbitrary and unfair rules

When people lose their jobs, they need access to Employment Insurance (EI) and re-training programs to help them feed their families and find new work. As it stands, only 40 per cent of unemployed people in Canada are able to access EI.

The Harper government's recently-introduced budget does little to help unemployed workers – choosing tax cuts and wage freezes over meaningful changes to Canada's EI system.

Statistics Canada reports that the Canadian economy shed 71,000 jobs in November alone – the highest single-month loss since 1982. And economists say that Canada could easily lose another 250,000 jobs over the next nine months.

The good news is that Canada's EI system is financially stable. Funded entirely by employer and worker contributions since 1990, the EI account is now sitting on a whopping \$54 billion surplus.

The bad news is that the federal government has spent years raiding the EI account to pay down debt, rather than investing it where it was designed to go – into the hands of unemployed workers for income support and re-training.

Since the 1970s, successive federal governments have made massive cuts to EI, making it harder and harder to qualify for the program, while simultaneously slashing benefits to a level that barely constitutes a living wage. The bottom line now is a maximum weekly payment of \$447 – an amount that represents about a \$25 increase over the last 12 years despite the fact that the cost of living has risen more than 20 per cent over that time.

What's worse is that the EI system has a number of built-in barriers designed to discourage, delay, disqualify or, at the very least, claw back the paltry benefits paid to workers from the fund to which they have contributed.

Some of these "disincentives" include:

- A two-week waiting period.
- The potential for disqualification for failure to file for benefits within four weeks of job loss.
- The arbitrary requirement that numbers of insurable hours worked are based on the regional unemployment rate. These requirements effectively put the EI system out of reach for vast numbers of part-time and seasonal workers – a large proportion of whom are women, recent immigrants, refugees and racialized workers.

The system is clearly unfair and it is clearly failing Canadian workers.

Time for change – now

While the 2009 budget did announce a few changes to the EI system – including freezing premiums and increasing the benefit period by five weeks for the next two years – PSAC maintains that this was too little to protect and support the growing numbers of unemployed workers.

Here are ways to make Employment Insurance work for Canadians:

- Institute uniform national requirements for 360 insurable hours worked, no matter where people live.
- Raise benefit levels from 55 per cent to 60 per cent of insurable earnings.
- Eliminate the two-week waiting period.
- Increase Service Canada staffing levels to provide enhanced capacity and deal with pressing new demands.
- Dedicate the \$54 billion surplus to long term EI support and stop raiding the fund to pay down debt.