

EMPLOYMENT INSURANCE REFORM



The unprecedented challenges created by COVID-19 have created an opportunity to reform Employment Insurance (EI) to ensure a strong economic recovery and find solutions to long-standing issues facing the construction trades utilizing the program. **Canada's Building Trades Unions** are calling for the following reforms to EI:

Separation Monies

- Permanently abolish the claw back of separation monies such as severance and vacation payments on EI payments.

Apprenticeship EI Delay

- Currently, apprentices enrolled and participating in the in-class portion of their apprenticeship do not have claims processed fast enough and often do not receive their entitlements from EI until after training is completed. This creates an economic barrier for apprentices to complete the in-class portion of their training and to challenge certification exams.
- Expedite EI applications for apprentices to allow apprentices to receive EI quicker.

EI Training Support Benefit

- Extend the EI Training Support Benefit from four weeks to 16 weeks.
- The replacement rate for the EI Training Support Benefit should equal 85 per cent of their wages rather than the current level of 55 per cent.
- Eliminate the one-week waiting period and permit workers to receive EI benefits from day one.
- Ensure that the EI Training Support Benefit does not reduce a worker's normal EI entitlements if the worker is laid off or needs other special EI benefits during the same period.

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Workers Seeking Re-Training or Skill Upgrading

- Ensure newly unemployed workers – due to downsizing, relocation or displacement – can receive EI benefits while attending skills training or an educational program, without the requirement of being available for work or looking for work. However, this does not apply to frequent or occasional claimants of EI who wish to pursue retraining or upskilling.
- Given persistently high unemployment and an uncertain and potentially sluggish economic recovery following COVID-19, we call for changes to allow occasional, frequent, and long-tenure claimants to enroll in education, retraining, and skills upgrading in order to better qualify themselves in a post-pandemic economy.

Ending the Misclassification of Workers

- Crackdown on employer misclassification of workers who are often labeled as independent contractors or self-employed, allowing employers to evade EI and other payroll deductions.
- This will help broaden EI's base, prevent free-riding and the undercutting of competitors who participate in the EI program.

Limits on the Canada Training Benefit

- Remove the upper-age limit on eligibility.
- Remove lower earnings eligibility threshold to extend access to low-paid individuals.
- Allow the Training Credit to apply to related expenses such as course materials and transportation.
- Make the Training Credit available in advance payments throughout the year.
- Include out-of-province secondary school upgrading/completion, ESL and FSL studies for the tuition credit.

Restore Dedicated EI Program Liaison Officers

- Restore the EI Regional Liaison Officer network which was a valuable single point of contact for unions dealing with EI, particularly where there were multiple terminations or closures. CBTU recommends each of Canada's four regions have its own liaison who can understand specific issues pertaining to the region and the building trades.

EI Tribunal

- Re-establish a board of appeals for Employment Insurance.
- This will help make the EI process more transparent and accountable, and ensure the decision-making process remains between workers and employers.

Reform of Employment Insurance has long been a high priority for Canada's Building Trades Unions. The construction industry accounts for six per cent of the Canadian economy^[i] and the industry has been a key player in keeping the economy going during the COVID-19 pandemic. However, industry employment is down six per cent in December 2020, from the same time in 2019^[ii]. Reforming EI will bring further certainty into the industry, help hard-working Canadians get through difficult times, and strengthen the middle class.

[i] <https://www150.statcan.gc.ca/n1/pub/11-402-x/2011000/chap/construction/construction-eng.htm>

[ii] <https://www.buildforce.ca/en/blog/employment-labour-force-figures-down-year-over-year-may-fall-further-q1>