

Employment Insurance

Recent Improvements
and Overview 



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EMPLOYMENT INSURANCE

The Government of Canada's Employment Insurance (EI) program provides financial support to eligible workers by replacing part of their income while they:

- look for new employment;
- upgrade their skills; or
- are absent from work due to:
 - sickness;
 - childbirth or adoption; or
 - caring for a child or adult who is critically ill or injured, or needs end-of-life care

EI regular benefits are available to individuals who:

- lose their jobs due to shortage of work or seasonal or mass lay-offs; and
- are looking for, available for and able to work, but can't [find a job](#).

EI special benefits provide support to employees or self-employed individuals who:

- are unable to work due to sickness;
- are pregnant or recently gave birth;
- are caring for a newborn or a newly adopted child; or
- are caring for a child or adult who is critically ill, injured or needs end-of-life care

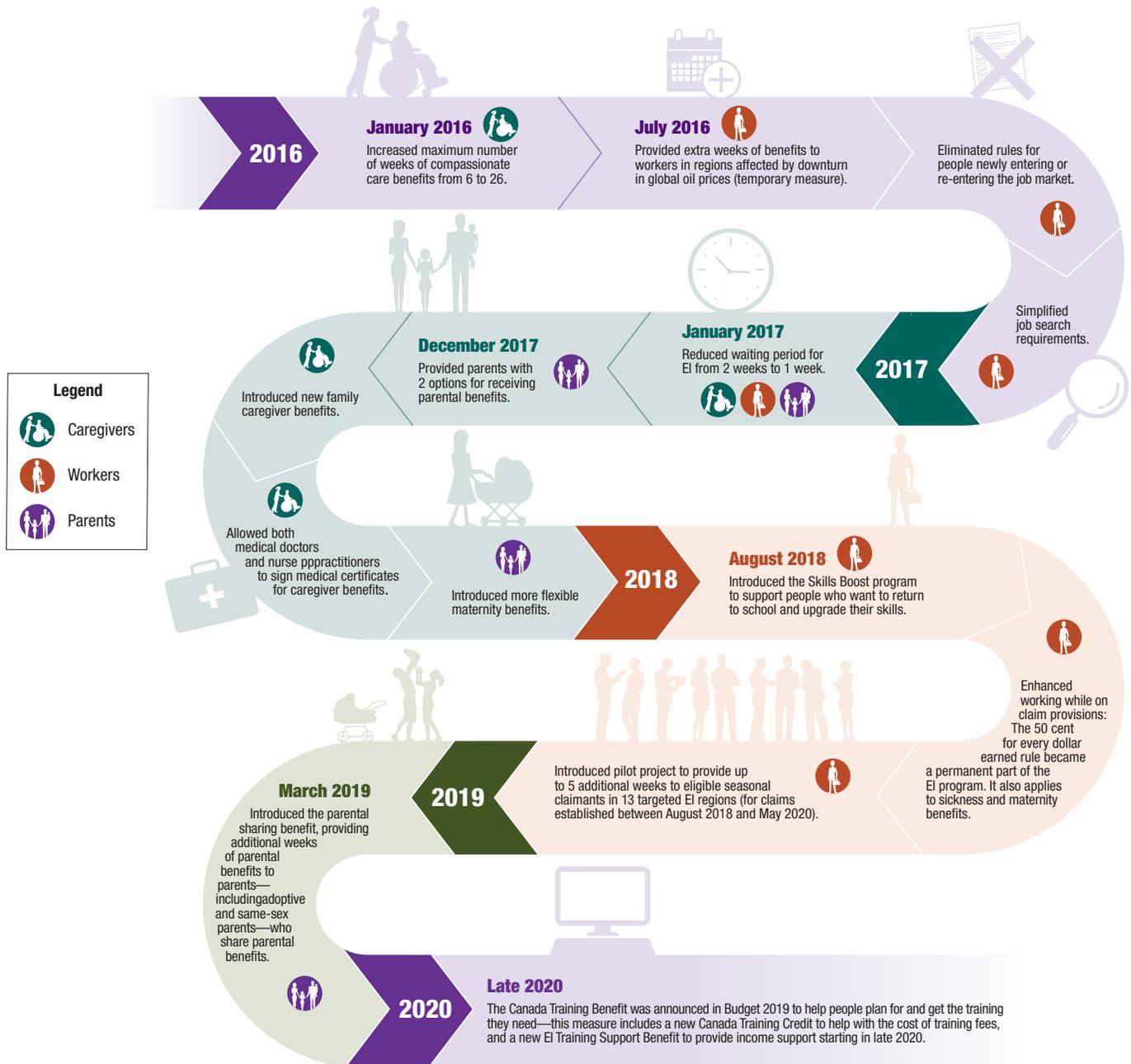
EI fishing benefits provide support to qualifying self-employed fishers who are actively seeking work.

EI work-sharing benefits help employers and employees avoid layoffs when there is a temporary reduction in the level of business activity. While the employer recovers, the measure provides support to employees who work a temporarily reduced work week.

IMPROVEMENTS TO EMPLOYMENT INSURANCE SINCE 2016

Since 2016, the Government of Canada has changed the Employment Insurance (EI) program to better support parents, caregivers and workers. Some of the improvements are:

- making maternity and parental benefits more flexible;
- giving Canadians more options to care for loved ones who are critically ill; and
- increasing support for workers.





Support for parents

- **Maternity benefits:** Since December 3, 2017, eligible pregnant workers can receive EI maternity benefits earlier, up to 12 weeks before their due date. This allows them to decide when it is best for them to begin their maternity leave. **As of December 2018, about 8,000 pregnant workers had received maternity benefits 9 to 12 weeks before their due date.**
- **Parental benefits:** Since December 3, 2017, parents have 2 options. They can choose 35 weeks of benefits that can be paid over 12 months at the 55% replacement rate (standard parental benefits) or 61 weeks of benefits paid at the 33% replacement rate over 18 months (new extended parental benefits). **About 32,000 parents had chosen the extended parental benefit option as of December 2018.**
- **Parental sharing benefits:** Since March 17, 2019, new parents who agree to share parental benefits can get additional weeks of benefits. This supports gender equality and encourages both parents to take some leave when welcoming a new child. **It is expected to help about 97,000 families each year.**

Parental sharing benefits:

 - are available to eligible parents, including same-sex and adoptive parents;
 - provide an additional 5 weeks of benefits to parents who choose the standard parental benefit option; and
 - provide an additional 8 weeks of benefits to parents who choose the extended parental benefit option.

	Standard parental benefits	Extended parental benefits
Maximum weeks of EI payments >	Up to 40 weeks paid over 12 months	Up to 69 weeks paid over 18 months
weekly EI payment amount >	55% of average insurable earnings (to maximum of \$562 in 2019)	33% of average insurable earnings (to maximum of \$337 in 2019)
Maximum total amount received >	\$22,480	\$23,253

EXAMPLE

Jessica and Mark are expecting a child. They both work and they each earn a yearly salary of \$60,000. They decide to apply for extended parental benefits. They want to share the 69 weeks between them.

Jessica is eligible for 15 weeks of maternity benefits (paid at 55% of her average weekly earnings). She also chooses to receive 40 weeks of extended parental benefits to care for their baby before returning to work.

Jessica receives \$562 per week in maternity benefits for 15 weeks. After that, she receives \$337 per week for 40 weeks in extended parental benefits (33% of her average weekly insurable earnings).

In total, she receives \$21,910 in maternity and extended parental benefits.

Mark also takes leave from work to care for their baby. He receives 29 weeks of extended parental benefits. Since he earned the same salary as Jessica, Mark also receives \$337 per week for 29 weeks. In total, he receives \$9,773 in parental benefits.

Altogether, Jessica and Mark receive \$8,430 in maternity benefits and \$23,253 in extended parental benefits, for a total of \$31,683.

		Jessica	Mark	Total
Maternity Benefits	>	\$8,430	\$0	\$8,430
Extended Parental Benefits	>	\$13,480	\$9,773	\$23,253
Total	>	\$21,910	\$9,773	\$31,683



Support for caregivers

Caregiving benefits are available to eligible caregivers who provide care or support to someone who is critically ill or injured, or who needs end-of-life care.

- **Family caregiver benefits for adults:** Caregivers of a critically ill or injured adult (aged 18 or over) now have access to benefits for up to 15 weeks.

EXAMPLE

Emilio is retired and suffers a stroke. He lives alone and will require care and support during his recovery. Emilio's son Hector takes time off work to provide care for his father and make sure he gets to his medical appointments.

Hector is eligible for EI and earns \$30,000 per year. He takes 16 weeks off work to care for his father. **After serving the one-week waiting period, Hector can receive 15 weeks of the EI caregiving benefit for critically ill adults, paid at 55% of his average weekly earnings. He will receive \$317 per week for a total of \$4,755.**

- **Family caregiver benefits for children:** Caregivers of a critically ill or injured child under age 18 now have access to benefits for up to 35 weeks. Previously these benefits were available only to parents.

EXAMPLE

Ten-year-old Leyla has been diagnosed with a critical illness that requires treatment.

Leyla's mother Sonya is eligible for EI and decides to take the EI family caregiver benefit for the care of a critically ill child. Sonya takes leave from her job immediately for 36 weeks.

After serving the one-week waiting period, she receives 35 weeks of EI benefits. She earns \$45,000 annually so her weekly benefit rate is \$476 per week for a total of \$16,660 over 35 weeks.

- **Compassionate care benefits:**
Caregivers providing end-of-life care to a person of any age continue to have access to benefits for up to 26 weeks.

EXAMPLE

Paul's partner, David, has been diagnosed with a terminal illness and requires end-of-life care and support at home. David is not expected to live beyond 6 months.

Paul qualifies for EI benefits. After obtaining a medical certificate, he claims the 26-week EI Compassionate Care benefit to provide care to David at home. He earns \$60,000 a year, which is more than the Maximum Insurable Earnings level for EI benefits. The Maximum Insurable Earnings of \$53,100 is used to calculate his average weekly earnings, so **he will receive the maximum EI benefit of \$562/week, totalling \$14,612 over 26 weeks**



Support for workers and employers

- **Reducing the waiting period for EI:** The waiting period for EI benefits was reduced from 2 weeks to 1 week. **About 1.8 million workers benefited from this change in 2017–18.**
- **Eliminating new entrant and re-entrant rules:** People who are working for the first time or returning to the workforce have better access to EI as they now have the same eligibility requirements as other workers in the region where they live rather than a higher requirement.
- **Helping workers living in the regions most affected by low oil prices:** In 2016, the Government temporarily extended the duration of EI regular benefits for all eligible claimants by 5 weeks in 15 targeted regions. Up to a maximum of 20 additional weeks were provided to long-tenured workers. **About 425,000 workers benefited from the measure.**
- **Helping seasonal workers:** A pilot project began in August 2018 to provide up to 5 additional weeks of EI regular benefits to eligible seasonal claimants in 13 targeted regions. **It is estimated that 51,500 seasonal workers will benefit from this measure annually.**
- **Helping workers and employers affected by trade disputes:** The Government introduced temporary work-sharing measures for the forest sector in June 2017 and the steel and aluminium sector in June 2018. Measures extend the duration of work-sharing agreements by an additional 38 weeks, for a total of 76 weeks. The mandatory waiting period has also been waived so that employees with a recently expired agreement may immediately apply for a new agreement without waiting between applications.
- **Enhancing the working while on claim provisions:** The rule allowing claimants to keep 50 cents for every dollar earned became a permanent part of the EI program in August 2018. It was also extended to sickness and maternity benefits.

EXAMPLE

John was laid off when the grocery store where he worked closed. His weekly earnings at the grocery store were \$500, so his weekly EI benefit rate is \$275 (55% of \$500). He has found a part-time job at a restaurant, where he works 2 days a week and earns \$200 per week.

As a result, his \$275 in EI benefits is reduced by \$100, or half of what he earns at the restaurant ($\$200 \div 2 = \100). This brings his total EI benefit to \$175 ($\$275 - \$100 = \175).

In the end, John takes home \$175 per week in EI benefits, plus his part-time wages of \$200, for a total of \$375.

■ Social Security Tribunal:

The Government of Canada committed in Budget 2019 to make the recourse process for Employment Insurance, Canada Pension Plan and Old Age Security easier to navigate and to shorten timelines at every stage of the process. The proposed changes will build on the recommendations of an independent review and on the views expressed by Canadians through subsequent consultations.



Support for training

■ Labour Market Development

Agreements: Labour Market Development Agreements are agreements between the Government of Canada and each province and territory to:

- design and deliver employment programming such as skills training or job search assistance—to help Canadians quickly find and return to work; and
- ensure a skilled labour force that meets the needs of employers.

Under these agreements, provinces and territories are required to consult annually with groups representing employers, workers, and official language minority communities to inform labour market spending priorities. This helps to ensure that employment programs and services meet the needs of local labour markets.

■ In 2017 the Government of Canada changed the *Employment Insurance Act*. Provincial and territorial governments were given **more flexibility** to help more Canadians find and keep employment. Changes included:

- broadening eligibility for skills training to include unemployed individuals who have paid minimum EI premiums in 5 of the last 10 years;
- allowing employed workers to access employment assistance services such as employment counselling and job search assistance (previously only available to unemployed workers); and

- increasing flexibility to provide funding to employers needing to retrain their employees to adjust to technological or structural changes in the economy.

■ **New Investment:** In 2017, the Government also announced funding of an additional \$1.8 billion over six years for the Labour Market Development Agreements, starting in 2017–18. With this new investment, provinces and territories will receive \$2.4 billion in 2022–23, which is \$425 million more than in 2015–16, representing a 22% increase.

■ **Additional targeted funding** to provide skills training and employment assistance through the Labour Market Development Agreements with provinces and territories:

- **Forest sector:** On June 1, 2017, as part of Canada's Softwood Lumber Action Plan, the Government of Canada announced an additional \$50 million over two years (2017–18 and 2018–19) to support workers affected by trade disputes in the forest sector;
- **Steel and aluminum sector:** To help support workers affected by U.S. tariffs on steel and aluminum products, the Government of Canada made available an additional \$50 million over two years (2018–19 and 2019–20); and
- **Seasonal industries:** In August 2018, the Government of Canada made available an additional \$41 million over two years (2018–19 and 2019–20) to support workers in seasonal industries.

■ **Skills Boost program:**

The Government introduced the Skills Boost program in 2018 to support adults who want to return to school and upgrade their skills. The program has made EI more flexible and increased student financial assistance. Some of the ways the Skills Boost program is helping:

- people who are out of work now have more ways to take [training and continue receiving EI regular benefits](#);
- adults studying full time are eligible for more financial support;
- more part-time students are eligible for Canada Student Grants and Loans; and
- more students with children under 12 are eligible for Canada Student Grants for [full-time](#) and [part-time students](#).

■ **Canada Training Benefit:**

The Government of Canada proposed in Budget 2019 to introduce the Canada Training Benefit to help people plan for and get the training they need. The Government will consult stakeholders, including provinces and territories, before finalizing the design of the benefit.

- **Job Bank:** In 2018, the Government launched the Job Bank mobile app to **make job searching easier**. Using the app, Canadians can browse through thousands of jobs across the country from the convenience of their mobile device. They can see who is hiring nearby, save interesting jobs, and receive notifications about new jobs as soon as they are posted. Over 200,000 Canadians have installed the app since it was released.

EI PROGRAM HIGHLIGHTS

Access and eligibility

The beneficiary-to-unemployed ratio is the average number of people receiving EI regular benefits as a share of the corresponding unemployed population. It includes people who are not eligible for EI because they did not work during the previous year, did not pay premiums during the previous year, did not accumulate sufficient hours, or did not have a valid job separation. The ratio was 42.1% in 2017.

The eligibility rate is the percentage of unemployed workers who paid EI premiums in the previous year, had a valid job separation and had enough insurable hours to be eligible for benefits.

Most employees who lost their jobs were eligible for EI

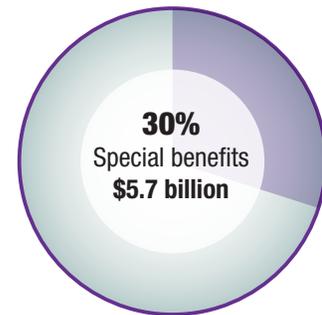
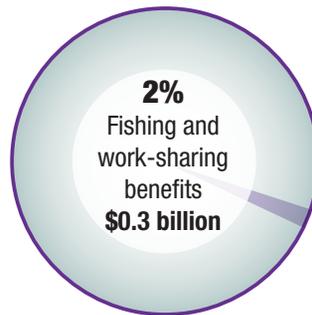
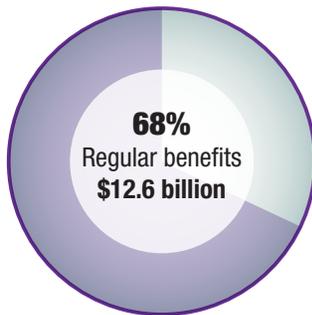


Total EI benefits paid

In 2017–18 EI benefit payments totalled \$18.6 billion—regular benefits: \$12.6 billion; special benefits: \$5.7 billion

Regular benefits and special benefits accounted for 98.0% of total EI benefit payments. Fishing and work-sharing benefits accounted for 2.0%.

EI regular benefits accounted for about two-thirds of total EI benefits paid



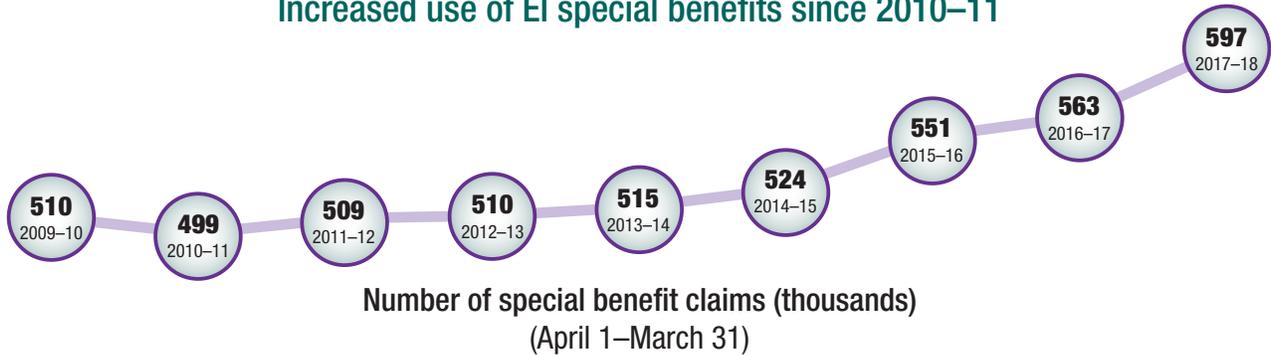
Total: \$18.6 billion

Special benefits

In 2017–18, there were about 597,000 new special benefit claims established. This represented a 6.0% increase over the previous year and the seventh consecutive year-over-year increase since 2010–11.

Maternity and parental benefits accounted for 68% of the value of all special benefits paid; sickness benefits accounted for 30%.

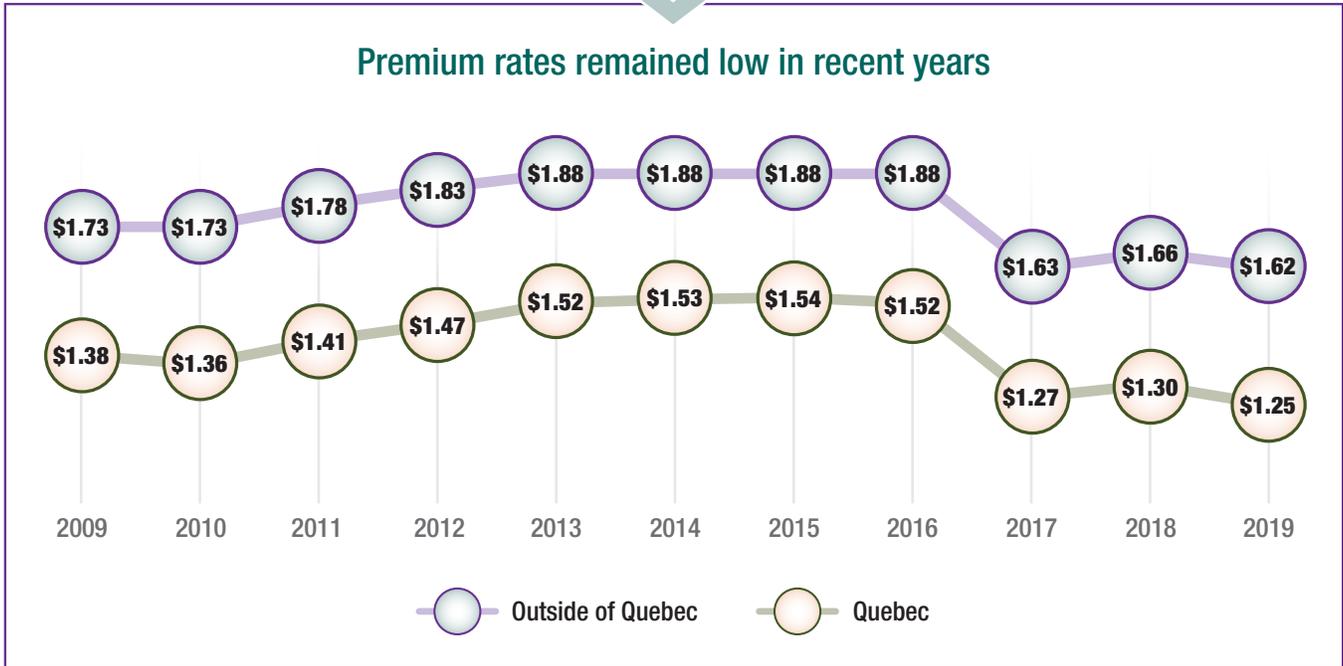
Increased use of EI special benefits since 2010–11



El premium rate



Beginning with the 2017 El premium rate, the Canada Employment Insurance Commission assumed responsibility for setting the annual premium rate according to a new 7-year break-even mechanism that ensures that El premiums will be set no higher than needed to pay for the El program over time. This helps to smooth annual rate fluctuations. Under this new mechanism, the 2019 Employment Insurance premium rate was set at \$1.62 per \$100, the lowest since 1980. For Quebec, the rate was set at \$1.25 per \$100 in 2019. Employers pay El premiums that are 1.4 times the employee rate.



For additional El statistics, please consult the [El Monitoring and Assessment Report](#) or the [Statistics Canada](#) website.