

Evaluation of the Working While on Claim Pilot Projects

Between 2005 and 2016, five pilot projects tested two rule changes to determine their possible impact on encouraging Employment Insurance (EI) claimants to work more while receiving benefits.



LEGISLATED RULES

The original Working While of Claim rules allowed EI claimants to earn an income while receiving benefits. Benefits are reduced by one dollar for every dollar of earnings that are greater than \$50 or 25% of a claimant's weekly benefit rate (whichever is higher).



KEY FINDINGS

Rule no. 1 (Pilots 8, 12&17) increased allowable earnings from \$50 or 25% of a claimant's weekly EI benefit rate to \$75 or 40%. Relative to the original rules,

- work with full benefits increased by 69% for women and 96% for men in high unemployment regions; and
- the probability of claimants working with full or partial benefits increased by 7% in other regions of Canada.

However, in all regions studied, the rule change reduced the probability of claimants working with no benefits by 7% in high unemployment regions and by 16-20% in all other regions.

Rule No. 2 (Pilots 18&19) introduced a 50% reduction in benefits on the first dollar earned until earnings reach 90% of the claimant's weekly insurable earnings. It was found to be more effective at encouraging claimants to work more while on claim compared to previous pilots.

- Work while on claim increased by 27%.
- The number of weeks worked increased by about 1 week for claimants subject to the rule.
- The amount of EI benefits paid decreased by at least \$100 per claim.



RECOMMENDATION

- Take appropriate steps to increase awareness of the rules amongst claimants.

The full Evaluation of the Working While on Claim Pilot Projects is available at:
www.canada.ca/en/employment-social-development/corporate/reports/evaluations/working-while-claim-pilot-projects

