

Employment Insurance (EI): A Program for the People?

EMPLOYMENT
INSURANCE:
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CHANGES**

“It is the economy which is seasonal, not the workers”

“Islanders who work in seasonal jobs probably do as much in 6 months as some people in other sectors do in a whole year.”

Islanders Proud of the Value of Seasonal Economy: Islanders Love to Work

- For Prince Edward Island, the seasonal economy is important, based on resources, climate, and cultural values.
- Employment Insurance has an essential program to support farming, fishing, tourism, and construction
- When there are jobs available, people work. They work long, hard hours.
- PEI labour market participation rate for July 2013 was the highest in Canada at 69.3%

“In March 2014, there were 7,260 Islanders receiving regular benefits, a drop of almost 9% from 2013, and 18% from March 2012.”

**“Even 6-7
years ago, fewer
than half the
unemployed workers
qualified for EI”**

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r benefits,
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2012.”**

**Since
March 2012,
unemployment
has gone up.**

EI Lags Behind Unemployment: Many Unemployed People Do Not Qualify For EI

Over the years, there has been a constant gap between the number of unemployed people and the number who received EI benefits. This means that in Canada, between 40% and 50% of unemployed workers were approved for benefits. As a result of the 2012 EI changes, many more are disappearing from the system. Here are some reasons why:

- The “frequent or regular user regulation” hit hard for seasonal workers and forces them out of the system:
 - demanding them to do unreasonably wide job searches;
 - forcing them, after 6 weeks on EI to accept 70% of their previous wage;
 - If they decline a job offer, they face being cut off EI;

- Some unemployed workers are being forced to take jobs at unreasonable distances from their home;
- Some must accept job offers, regardless of whether or not the hours are compatible with home/personal life;
- Some unemployed workers are even expected to accept jobs for which they are unprepared;
- The EI changes are having a dramatic effect on unemployed women and youth for whom the qualifying hours are a major obstacle; and
- Many unemployed workers give up rather than take on the hassle of testing a decision or making a formal appeal.

“My dad has been out west working for nearly 3 years now and it sucks. He is rarely home and when he is, it is for 5 or 6 days, that is just not long enough.

I talk to him on the phone for 10 minutes every night. That’s not right.”

Allie, a 15-year-old Island girl

“Go West; We Will Do Just Fine”

It is not evident that PEI is maintaining statistics about how many Islanders are migrating West to provide for their families here at home.

People in PEI are very vocal about the negative effect the “Go West” trend has on families and individuals. It means that adult family members left at home are burdened with double responsibility for the younger family members and for the running of the home. In practice many unplanned one-parent families are being created. In some cases, the family never becomes reunited. Thousands of Island children are abruptly deprived of the presence, guidance and support of a parent, older siblings, or even grandparents.

For the community, workers going West results in a loss of essential residents who contribute to the health and well-being of local communities. Many community needs, usually met by volunteers, are becoming difficult. There is a lack of people to work as fire fighters, sports coaches, transportation support for the elderly, and for school and church activities.

“Before my dad went out west, he did so much for our family (my hockey, softball, any events)... He helped a lot of people... everything changed.”

Allie, a 15-year-old Island girl

Working While on EI: Not Worth the Effort

Under pre-August 2012 regulations, an EI claimant could earn \$75 per week or 40% of his/her weekly benefit rate, whichever was higher, without having any benefits reduced. Any money earned above that amount would be deducted dollar for dollar from benefits.

Under the new pilot project:

- a claimant is able to keep only 50 cents of his/her EI benefits for every dollar earned, up to 90% of the weekly insurable earnings (Earnings above this amount will be deducted dollar for dollar from worker's benefits)
- The new pilot can benefit claimants with higher rates and who work significant part-time hours weekly during their claim.
- The majority of PEI claimants who work minimal hours each week while on claim can be disadvantaged by the new method.



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PEI Divided: The Two Zones

On February 20, 2014, the Honorable Gail Shea, who is the Government MP responsible for PEI, announced that effective October 12, 2014, PEI will be considered as two EI Zones, known as Charlottetown and PEI. This is supposed to reflect the different unemployment levels in the “capital region” and the rest of the province. Minister Shea argues that this decision will bring PEI in line with other regions and therefore making it fair for all of Canada or to quote her in her own elaborate publication, Bringing Fairness for EI on PEI. There are six major problems here:

- For map-making convenience, included in the “capital region” is a large swath of rural PEI, all of it in Queens County.
- From a Canadian viewpoint, the distinction between urban and rural for PEI is laughable.
- Even considering Charlottetown alone, there are huge wage differences: some high paying public employment skews the average income hiding the many people in the city who work seasonal and part time jobs, e.g. many municipal and retail workers.
- The lack of logic to this zoning shows up in a comparison of two workers, both outside Charlottetown, down the road from each other, same wages, same hours, but supposedly living in different unemployment rate zones. The one living in the so-called Charlottetown Zone is eligible to receive \$5,492 while her neighbor from the PEI Zone could receive EI benefits totaling \$8,664.
- The “fairness” model for PEI is different, for example, from that of New Brunswick where 3 municipalities, Moncton, Saint John, and Fredericton form one EI Zone. In PEI, Minister Shea did not choose to propose zoning Summerside with Charlottetown.
- Seasonal and part-time workers in Egmont Riding and all of PEI would be better served by a minister who put her efforts into scrapping the EI changes since 2012

PEI Coalition For Fair EI

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