EMPLOYMENT INSURANCE:
SCRAP THE CHANGES

Working on claim

Under the previous method prior to August 2012, a 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 as of August 5, 2012, a claimant is able to keep 50 cents of his/her EI benefits for every dollar earned,(50% of his/her weekly gross earnings) up to 90% of the weekly insurable earnings that is used to calculate his/her EI benefit amount. (This 90% amount is called the earnings threshold). If money above this threshold is earned, it will be deducted dollar for dollar from the client's benefits.

The new pilot can benefit those claimants with higher rates and who work significant part-time hours weekly (earn more weekly income) during their claim. **(See Table 1)**. However, those claimants who work minimal hours each week while on claim can be disadvantaged by the new method. This would/ could particularly impact those claimants who work seasonally; and whose employer keeps them on during the off-season to work a shift or two per week (which can be quite common on PEI). The majority of PEI claimants would be negatively impacted by the new pilot. **See Table 2** back of page.

Here are two tables which reflect examples of both.

Table 1 (taken from Service Canada website)

	Old rules		New rules
Weekly insurable earnings	$600	Weekly insurable earnings	$600
EI weekly benefit amount (55% of $600)	$330	EI weekly benefit amount (55% of $600)	$330
Gross earnings declared during a week while on EI benefits	$450	Gross earnings declared during a week while on EI benefits	$450
Earnings amount (40% of the benefit amount: $330 x .40 = $132)	$132	Earnings amount (50% of gross earnings: $450 x .50 = $225)	$225
Net EI benefit payment for that week ($330 + $132 – $450 = $12)	$12	Net EI benefit payment for that week ($330 + $225 – $450 = $105)	$105
Combined earnings and EI benefits ($450 + $12 = $462)	$462	Combined earnings and EI benefits ($450 + $105 = $555)	$550

PEI Coalition For Fair EI

Table 2 – example of claimant with minimal part-time earnings

	Old rules		New rules
Weekly insurable earnings during qualifying period (QP)	$600	Weekly insurable earnings during qualifying period (QP)	$600
EI weekly benefit rate (55% of $600)	$330	EI weekly benefit rate (55% of $600)	$330
Gross earnings declared during a week while on EI benefits	$150	Gross earnings declared during a week while on EI benefits	$150
Allowable earnings amount (40% of the benefit amount: $330 x .40 = $140)	$140	Allowable earnings amount (50% of gross earnings: $150 x .50 = $75)	$75
Net EI benefit payment for that week ($330 + $140 – $150 = $208)	$320	Net EI benefit payment for that week ($220 + $50 – $100 = $170)	$225
Combined earnings and EI benefits ($320 + $150 = $470)	$470	Combined earnings and EI benefits ($255 + $100 = $405)	$405

As noted above, claimants that work minimal part-time hours are at a disadvantage as evidenced above in table 2. This claimant would have combined earnings for the weekly example of $470 under old rules, but only $405 if new rules apply.

Some clients are able to revert to the old method, but must meet specific criteria to be eligible:

Criteria

Regular, Parental and Compassionate Care claimants (including fishing) will have the option of reverting to the provisions of the previous pilot if, in the year before the current pilot project was introduced (Pilot commenced August 2012), they received one week of Regular, Parental or Compassionate Care benefits during which earnings were declared or allocated.

Claimants receiving regular benefits must indicate that they are/were unable to secure any additional employment (i.e. more than 1 day of employment per week).

For those claimants who did not have a claim in the year prior to the new pilot, they cannot take advantage of reverting to the old rules, as they do not meet eligibility criteria so any claimants new to the labor force after August 2012 would not be eligible and are subject to the new rules). Additionally, those claimants who are eligible to revert to old rules must request this and are paid manually which normally means delays in payment.