



# Building and Sustaining a Better Employment Insurance Program: Canada's Building Trades Unions Submission for Phase 2 of Consultations

July 29, 2022



**CBTU SMCC**

CANADA'S BUILDING TRADES UNIONS  
LES SYNDICATS DES MÉTIERS DE LA CONSTRUCTION DU CANADA  
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# THEME 1: ENSURING THE ADEQUACY OF BENEFITS

The EI program requires changes in order to adequately benefit all workers. Issues are not purely with the amount of supports provided, but with their efficiency in getting to workers. As a national organization representing skilled trades workers from coast to coast, we know the pride our members take in the work they do to build infrastructure and communities across Canada. However, with the cyclical nature of construction, skilled trades workers are laid off when one project finishes and they await to be dispatched to another job. We need to ensure the EI program sufficiently helps workers between jobs, supporting their families and our economy. For example, there are issues with workers receiving their duly owed separation monies and their payments in a timely manner. To address issues with adequacy, CBTU has several recommendations.



## **1. Permanently remove the clawback of Separation Monies**

The permanent EI rules around separation monies indicate that separation payments and benefits may impact the amount of EI benefits one receives. Some earnings paid or payable upon separation can: delay the start date of your claim; delay the one-week waiting period to serve; delay the date on which you begin receiving benefits; reduce the amount of benefits; or provide the right to an extension of the benefit period.

Under the current EI claims process, a worker can be penalized if they receive separation monies upon lay off, despite earning it during their employment period. For example, many collective agreements in the unionized construction sector specify that separation monies – like vacation pay – are accumulated as a percentage of pay earned and paid, in full, upon layoff or after a certain period of time (ex. semi-annually). When a worker receives monies earned while working, after they've been laid off, it can result in a delay or reduction of EI benefits, causing undue hardship and stress. The EI program needs to support skilled trades workers in between one job and the next, not punish them by reducing EI benefits based on separation monies received.

In Budget 2021, the Government of Canada proposed to simplify eligibility rules around the allocation of monies on separation for a period of one year, from September 2021 to September 2022; this temporary change is now in place. While the temporary adjustment is welcomed by our industry, we recommend the Government make this a permanent change to support Canada's skilled trades workforce.

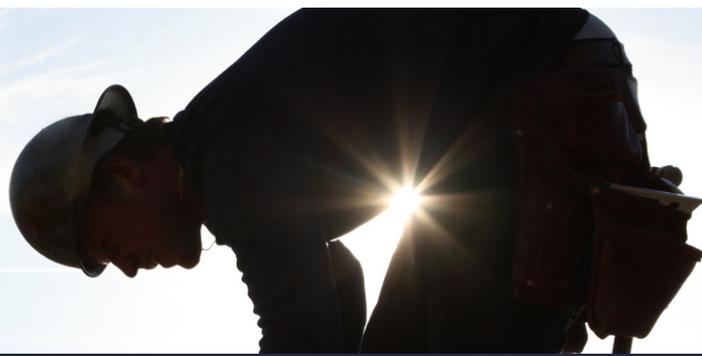
## **2. Address the delay in EI payments**

Currently, apprentices enrolled and participating in the in-class portion of their training do not have their training claims processed fast enough and some may not receive their entitlements from EI until after their training is complete. Therefore, it forces apprentices to make the choice to delay going to school, or to live without a paycheque until their EI claim is processed. This creates barriers for apprentices to complete the in-class portion of their training and to challenge certification exams.

Changes such as the temporary waivers of the one-week waiting period for EI claims for apprentices will support apprentices and other Canadians. We additionally request the Government to allow apprentices to apply for EI in advance of their training which would provide better financial security to successfully update their skills and be better prepared to enter the labour market.

## **3. Extend the EI Training Support Benefit from four to 16 weeks**

In its current form, the EI Training Support Benefit cannot adequately support Canadians who want to retrain or upskill to better meet the demands of the Canadian economy. By extending the EI Training Support Benefit from four to 16 weeks and making the replacement rate of wages equal to 85 per cent rather than 55 per cent, it will help support Canadians to improve their skills more easily. This is particularly important as Canadians face anxieties over the increased cost of living and a changing economy.



## **4. Ensure EI staff comprehension of skilled trades industry**

In many regions, EI program officers do not understand how the union-hiring hall model works which can result in a misunderstanding between the claimant and the program officer. For example, a program officer could put pressure on the worker to seek employment, when, under the hiring-hall model employed by local unions, it is the responsibility of the hall, not the worker/member to identify job opportunities. As a result, the worker's claim could be denied, reduced or suspended unfairly. To better address the needs of unionized skilled trades workers who pay into EI, identifying a specific skilled trades representative at EI or ensuring EI staff understand the construction industry will provide more adequate support for skilled trades people.

## **5. Re-establish the EI Tribunal**

While currently there are some mechanisms in place to provide for reconsideration of denied EI claims, the Government should re-establish a tripartite Board of Appeals for Employment Insurance. Although there was language contained in earlier versions of Budget 2022 regarding re-establishing the EI Tribunal, this language would not have recreated the EI Tribunal as it was before its reform in 2012 which was a tripartite and regionally rooted system. It is imperative that the Government ensure the selection process for the Board of Appeals be done through the commissioners' offices, that regional presence be guaranteed in law, and that the new structure be accountable to the Canadian Employment Insurance Commission. Re-establishing the Board of Appeals will provide more adequate support for workers to utilize the EI process, ensure the process is fair and transparent and that workers have a fair chance to make their case.

# THEME 2: ENSURING THE FINANCIAL STABILITY OF THE EI PROGRAM

CBTU believes that the EI program can be further utilized to support upskilling and re-training, particularly for workers in the skilled trades, which will in turn support the financial sustainability of the program. If workers are able to utilize the program to grow their skills and knowledge, they will be able to continue to work and contribute to the EI program instead of receiving benefits while unemployed. This will be particularly helpful in the energy industry as Canada's economy transitions to net-zero. Workers in the energy sector, such as an oil and gas workers, will need re-training in order to transition to new jobs.

To support the financial sustainability of the EI program, CBTU recommends the following changes.

## 1. Make improvements to the training benefits

CBTU was pleased to see the Federal Government introduce the Canada Training Benefit in Budget 2019, recognizing that today's economy is evolving and that people may change jobs many times throughout their working lives, or may require new skills to keep their jobs in a changing economy. CBTU supports the Canada Training Benefit which provides workers with money to help pay for training, provides income support during training, and offers job protection so that workers can take the time they need to keep their skills updated. Below are our recommendations to improve the Training Benefit.

### a. Remove limits on the Canada Training Benefit

- Remove the upper-age limit on eligibility to extend access to older workers;
- Remove lower earnings eligibility threshold to extend access to low-paid individuals and those whose earnings fluctuate from year to year;
- Allow the Training Credit to apply to related expenses such as course materials and transportation to lower barriers on continuing education;
- Make the Training Credit available in advance payments throughout the year rather than refunding the amount following the deadline for filing taxes. Include out-of-province secondary school upgrading/completion, ESL and FSL studies for the tuition credit.

### b. Make Improvements to the EI Training Benefit

- Extend the EI Training Support Benefit from four to 16 weeks.
- Make the replacement rate for the EI training support benefit equal to 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 of unemployment;
- Ensure that EI Training Support benefits do not reduce a worker's normal EI entitlements if the worker is laid off or needs other special EI benefits during the same period.

## 2. End the misclassification of workers

The EI program needs to crack down on employer misclassification of workers – in the construction industry and others – who are often labeled as independent contractors or self-employed which allows employers to evade EI and other payroll deductions. Cracking down on worker misclassification will help broaden EI's base, prevent free-riding, and the undercutting of competitors who participate in the EI program.