



January 28, 2016

Honourable Bill Morneau
Minister of Finance
House of Commons
Ottawa, ON K1A 0A6

Re: *Expanding Employment Insurance eligibility for out of work Albertans*

Dear Minister Morneau:

While the Alberta Federation of Labour (AFL) is pleased about your government's firm commitment to infrastructure spending to help create jobs and combat the current recession, we are writing you today because we believe it is important to bear in mind that one of the quickest and most effective ways to stimulate the economy – and help Albertans weather the current recession – is to reform and expand the Employment Insurance (EI) program.

There is no doubt that Alberta is in a deep recession and needs a stimulus plan, which should include fundamental EI reform. Unemployment in Alberta has risen by far the fastest of all the provinces over the past year. The number of EI beneficiaries in Alberta has doubled since November 2014 and for men it has tripled. Alberta's unemployment rate is now above the national average for the first time since 1989. Furthermore, only 37 per cent of unemployed Albertans receive EI benefits, whereas over 43 per cent of unemployed people in Quebec receive the employment insurance they deserve (it is more than 90 per cent in the Maritime Provinces).

Today in Calgary, workers must work 630 hours to qualify for employment insurance, whereas in Newfoundland and Labrador an unemployed worker needs to have worked 420 hours to qualify for benefits. Unemployed Albertans would also receive five fewer weeks of benefits than unemployed workers in Newfoundland and Labrador.

Employment Insurance is designed to provide assistance to Canadians who have been displaced by economic transformations. The most recent wave of EI cuts have unfairly targeted the unemployed as the percentage of unemployed Canadians receiving regular employment insurance benefits has declined significantly over the past decade from a high of nearly 50 per cent in 2010 to an all-time low of 38 per cent today.

The problems associated with EI span many years, and the AFL has recommended dramatic changes to the *Employment Insurance Act* to ensure equal treatment for Canadians regardless of where they live. However, matters were made considerably worse in 2012 when the Harper Conservatives made it even harder for jobless Canadians to qualify for EI by creating a tiered system designed to pay out fewer benefits. These changes increased eligibility requirements to 910 hours of insured employment for young workers and new Canadians.

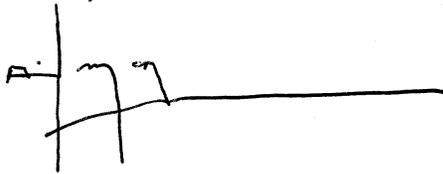
This is clearly unacceptable and patently unfair, especially in the current context of a recession. EI is an effective way to put money in people's pockets quickly, and is a powerful economic stabilizer during recessions.

The AFL believes that the upcoming federal budget should include plans to:

- Reverse the 2012 EI changes that created three tiers of workers and made benefits harder to claim;
- Reform rules related to EI eligibility and reduce waiting times for benefits from two weeks to one;
- Expand the benefit period (as was done during the recession beginning in 2008) to stimulate the economy;
- Make bold investments in training programs, including apprenticeship and post-secondary, and boost the percentage of EI funds spent on active training so that unemployed workers can build their skills to find work quickly; and
- Include in Budget 2016 special provisions to protect precarious workers who often don't qualify for EI due to unfair eligibility requirements.
- Abandon your government's focus on reducing premiums. Lower premiums will only reduce the EI program's ability to act as an "automatic economic stabilizer" during recessions.

The AFL is calling for dramatic changes to the EI system to make it fair for all Albertans and Canadians, especially as a stimulus given the recession that has been so hard on working Albertans. Last year, your party ran on reviewing the EI program by 2017. With this letter, I am respectfully suggesting that unemployed Canadians can't wait a year for a review. The system is broken and it needs to be fixed sooner rather than later. Please consider initiating a comprehensive review of EI this year, not next. Thanks for considering our concerns and suggestions!

Sincerely,



Gil McGowan
President, Alberta Federation of Labour

cc: Honourable Justin Trudeau, Prime Minister of Canada
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2
Honourable Amarjeet Sohi, Minister of Infrastructure and Communities
Honourable Kent Hehr, Minister of Veterans Affairs
Randy Boissonnault, Member of Parliament, Edmonton Centre
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 COPE 458