

Practical Information and Current Updates About the Employment Insurance Program for People Living with Lupus

In late 2004 and early 2005, the Standing Committee of the Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities Standing Committee presented a report entitled “Restoring financial governance and accessibility in the Employment Insurance Program.” This report contained 28 recommendations to enhance the Employment Insurance Program (EI Program), with several recommendations that could benefit people with employment barriers due to an episodic illness or disability such as lupus.

Some recommendations related to the overall financing and governance of the program, but the majority of recommendations related to program benefits that would have a direct impact on EI recipients. These recommendations included:

- The maximum benefit entitlement for regular benefits be extended to 50 weeks (to be the same as some special benefits such as parental/adoption leave). Presently the length of benefit entitlement is 14 to 45 weeks depending on the rate of unemployment in your region and the amount of insurable hours you have earned in the last 52 weeks or since your last claim
- Consider a supplementary benefit beyond the 50-week maximum to help unemployed workers over 50 years of age who are experiencing an extended period of unemployment
- Increasing the benefit rate from 55% to 60% of average weekly insurable earnings
- The government considering developing a framework to offer EI coverage to self-employed workers
- Not including pension, severance and vacation income in the determination of earnings for benefits, but only those weeks with the highest earnings (averaged over the best 12 weeks of insurable employment)
- Each EI District Office to have a Claimant’s Advocate on staff
- The two-week waiting period be eliminated for those engaging in approved training
- Consider extending sickness benefits by an additional 35 weeks (to total 50 weeks) for those recipients who have a prolonged or serious illness
- Extending Compassionate Care benefits for families whose children must receive medical attention outside of the locality in which they reside

Highlights of the Present Employment Insurance Program - Relevant Statistics

The Employment Insurance Program is a large national program that helps to support Canadians through periods of unemployment, underemployment and returning to the workforce. In 2004, almost 16 million people were employed and contributing to the program. Our rate of unemployment in Canada continues to be low. As well, in 2004 the EI program provided over \$13 billion in income assistance to more than two million Canadians. Over three million EI claims are processed annually. Most EI recipients return to work before the end of their claim period – most use only about two-thirds of their entitlement and only about 1% of recipients exhaust their maximum benefits entitlement. In 2003/2004, more than 650,000 EI clients received assistance with employment-related services to return to the workforce.

Response from the Department of Human Resources and Skills Development Canada (HRSDC) to the Standing Committee Recommendations

In May 2005 the Department responded to the recommendations and highlighted some of the new developments within the EI program. The highlights include:

- The 2005 EI premium rate (the amount employees pay on earnings) would be lowered from \$1.98 to \$1.95 per \$100 of earnings, and will stay at the same rate or lower for both 2006 and 2007.
- Continuation of a “premium refund” whereby EI premiums paid by an employee are refunded if the employee earns less than \$2,000 per year. A refund is given at the time of filing an income tax return. The Standing Committee had recommended increasing this amount to \$3,000 per year.
- Most of the 105 offices that process claims presently have a Public Liaison Officer who provides specialized assistance to clients with special needs – those needing an advocate on their behalf should seek the services of this staff person
- On a monthly basis the entrance requirement and duration of benefits for EI are adjusted based on the local rate of unemployment. As the rate of unemployment rises or falls, applications need either fewer or more weeks of employment to qualify, and can receive EI benefits for a longer or shorter period of time.
- New pilot projects are underway (commencing in 2005) to test the impact of reducing the minimum number of hours that new employees to the labour market must have in order to qualify for benefits, and to examine the impact of calculating benefit entitlement on the 14 weeks with the highest earnings in the last 52 weeks (or since your last claim, whichever is shorter). Pilot projects will be limited to certain regions in Canada – check the website for locations.
- HRSDC staff are undertaking policy consultation and review to gain a further understanding of the needs of self-employed workers and potential EI benefits to meet the needs of this group of workers

- Another three year pilot project, entitled the “working while on claim” program allows recipients to earn more money from employment without a reduction to their benefits (previously, earnings of \$50 or 25% of weekly benefits entitlement before deductions occur, now \$75 or 40% of weekly benefits entitlement). Pilot projects will be limited to certain regions in Canada – check the website for locations.
- At this point there will be no revisions to the length of claim for EI Sickness benefits. Statistics from HRSDC indicate that in 2003/2004, the average number of weeks claimed for sickness benefits was 9.4 weeks (maximum entitlement is 15 weeks), and only one-third of recipients utilize the full length of the claim
- Regarding Compassionate Care benefits, one potential change being considered is to expand the definition of who might qualify to access the program. Presently only an immediate family member caring for a gravely ill child, parent or spouse can qualify – potential changes could include other family members such as siblings or other designated caregivers.
- Continued investment in employment related programs to help workers return to work with better skills, and to provide greater assistance to older Canadians on EI benefits

Impact on People Living with Lupus

As the employment market and needs of working Canadians continue to change, it is important for the Employment Insurance Program staff to continue to examine the supports and services the program provides.

This program’s new initiatives over the past couple of years will provide more support to out-of-work employees who have difficulties starting or maintaining employment due to their health. These initiatives include:

- New pilot projects
- Lower premiums when working and contributing to EI
- Considering changes for self-employed workers and to the Compassionate Care Program
- Enhanced calculations when on EI and working part time, allowing people to keep more money in their pocket
- Greater employment support programs
- Linking the length of payment to the unemployment rate,
- Longer EI support for older workers

However, there are a couple of areas that, if enhanced, would be of great benefit to people with disabilities:

- First, increasing the benefit rate above the existing 55% of previous insurable earnings. For many, this drop in income, plus the usual four-week wait before the first payment is received poses a financial hardship. The cost of living has increased, and the rate of payment has not risen to reflect higher living costs.

- Expanding the length of claim for Compassionate Care benefits beyond the existing six weeks. Also, expanding the regulations on who can access the program to care for another, which means looking beyond the immediate family member to include siblings, parents-in-law and close family.
- Expanding the length of claim for EI sick benefits. Although this is a considerable program change that would need to be examined within the context of other providers such as Canada Pension Plan – Disability Benefits and the insurance industry, it could be a significant benefit for many. Employees without short-term or long-term disability would have the greater security of a lengthier benefit period to help manage their health needs beyond the present 15 weeks. As well, many people with episodic illnesses, including lupus, may not have a severe and prolonged enough disability to qualify for Canada Pension Plan, but need greater than 15 weeks to return to better health. A longer EI Sickness Benefits period would help folks in this situation.

Canadians in the labour market rely on the Employment Insurance Program as a key source of financial security during periods of unemployment. It is important for people with lupus to be better informed about potential resources, and in turn to speak and educate our elected officials and EI program staff about the needs of people with disabilities who participate in the labour market.

To learn more about Employment Insurance, the report or new developments, visit the Human Resources and Skills Development Canada website at www.hrsdc.gc.ca or call 1-800-206-7218. To learn more about other programs that may be of benefit to you, contact Lupus Canada or your local lupus organization. Your local Member of Parliament may also be of assistance with Employment Insurance or the Canada Pension Plan if you are having difficulties.

Pamela Bowes
Lupus Canada

January 2006

Lupus Canada ▪ 590 Alden Road, Suite 211, Markham, ON L3R 8N2
(905) 513- 0004 (905) 513-9516 – fax www.lupuscanada.org
lupuscanada@bellnet.ca - email