

# Employment Insurance: The Prince Edward Island Story

Prince Edward Island Working Group for a Livable Income

## PEI has many seasonal and part-time workers.

Employment Insurance (EI) is especially important to Prince Edward Island, given the Island's seasonal economy base. Farming, fishing, tourism, and construction generally are defined by the climate and by cultural values. Many Island workers also work part-time.

Island people are hard workers and are proud of their work. Most people prefer to work full-time year around. Many so-called seasonal activities involve intense, difficult work which makes a great contribution to the life of the Island.

For many Islanders, Employment Insurance is an essential part of economic survival. It is important to remember that people on EI continue to pay taxes, care for their families and neighbours, spend their money close to home, and contribute to the social well-being of their communities.

People may think the economically underachieving areas of Canada are mainly in Atlantic Canada, but the federal government recognizes regions of high unemployment in every province and territory. For example, the Niagara region in Ontario also depends on tourism and agriculture.

## EI Pilot Projects could come to an end in 2011.

### How could you be affected?

The federal government has recognized that there are regions in Canada that have seasonal economies. As a result, they introduced pilot projects to help to bridge some gaps in EI programs for seasonally employed workers. However, these programs are temporary and have expiration dates in 2011.

One EI pilot project for New Entrants/Reentrants, which lowered the number of hours required to receive EI in affected regions, was discontinued in December 2010.



**“I was turned down for EI in January 2011. If my work had ended in the fall, I might have been eligible for a pilot project for new entrants. I would have needed about 70 fewer hours. Even so, I was shocked to be called a new entrant, not a returning worker. They said I ‘recently started work for the first time.’ I have been in the workforce all my life! I have worked steadily and for many years doing contract work and counting the earnings as self-employment. But since I didn’t have enough insurable hours from that work, I was treated as ‘new’ in 2010, and it was like starting over.” (Sandy, a contract worker in the voluntary sector)**



# EI Pilot Projects: What Difference Do They Make?

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## EI Pilot Projects Support Workers

Employment Insurance (EI) pilot projects help bridge some gaps in EI programs for seasonal and part-time workers. The following scenarios illustrate how these EI programs can help workers and what would happen to these workers if these programs were discontinued in 2011.

### Best 14 Weeks: Susan's Story

Susan worked as a line worker for a fish plant from the first of May to the end of September. She earned \$10/hour. In her first four weeks and her last four weeks she worked only 24 hours per week. Her gross earnings were \$240/week. However, in the 14 weeks in the middle of her work season she worked 48 hours per week. Her gross earnings were \$480/week.

#### With Best 14 Weeks Pilot Project

Susan's EI is based on earnings from best **14 weeks**  
Average earnings in best weeks **\$480/week**  
**Susan's Gross EI income \$264.00/week**

#### If Pilot project is discontinued

Susan's EI based on earnings for all **22 weeks**  
Average Earnings over 22 weeks **\$392.73/week**  
**Susan's Gross EI income \$216.00/week**



### Working While on EI Claim: Nick's Story

Nick worked at a local hotel as a steward. He worked a regular 40-hour week and earned \$9/hour. After Thanksgiving, he was laid off due to lack of business. However, a few weeks after getting laid off, the employer asked Nick to work one day per week. While remaining on EI, he earns \$72/week from his employer, before deductions.

#### With Working While on EI Claim Pilot

Nick's weekly EI claim **\$198**  
Percentage of gross weekly EI Nick can earn **40%**  
Amount he can earn before his EI will be cut back **\$79.00**  
Nick is not cut back on his EI  
**Nick's gross income \$270.00/week**

#### If Pilot project is discontinued

Nick's weekly EI claim **\$198**  
Percentage of gross weekly EI Nick can earn **25%**  
Amount he can earn before his EI will be cut back **\$50.00**  
Nick will be cut back on his EI **\$22.00**  
**Nick's gross income \$248.00/week**



### Extended Benefits: Jim's Story

Jim worked as a labourer with a potato farmer from June to October for a total of 20 weeks and 660 hours.

#### With Extended Benefits Pilot Project

Jim is eligible to receive EI for **29 weeks**  
Extended benefits add 5, to total **34 weeks**  
Jim has income for the full **52 weeks**  
**Jim starts working again and ends his EI claim before his EI runs out.**

#### If Pilot project is discontinued

Jim is eligible to receive EI for **29 weeks**  
No extension  
Jim will have an income for **49 weeks**  
**Jim will have no income for 3 weeks when his EI claim runs out**



Disclaimer: EI regulations are quite complex and are made to assist groups of workers across the country, so it is very difficult to speak in generalities.

**"I would like to see the pilot programs made permanent. It's hard to get the hours here because everybody is trying for the same thing." (Brenda, restaurant worker from the Tignish area)** 

# Employment Insurance Characteristics: PEI

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## EI PROGRAM CHARACTERISTICS PRINCE EDWARD ISLAND

PEI Unemployment Rate	12.5%
PEI has lowest average weekly wage in the country	\$693.13
Number of beneficiaries in PEI (Aug/10)	8,600

### FOR JANUARY 9 TO FEBRUARY 12, 2011:

#### You are considered eligible for EI if you

- are a first-time entrant and have worked 910 hours
- were absent from the workforce more than 2 years and have worked 910 hours
- are a continuing worker and have worked \*455 hours

**Minimum length of time** you can receive EI \*29 weeks

**Maximum length of time** you can receive EI 50 weeks

**Maximum benefits** you can receive per week \$468.00

**FISHERS** who fish within the 31 weeks before applying and have earned \$2,500 from fishing:

**Maximum time for benefits** is \*26 weeks

The basic benefit rate is 55% of average insured earnings, up to a maximum payment of \$468 per week.

**Note:** Information marked with \* can change monthly. For updates: [Google Information on EI Regions](#) and click on [Current Employment Rates ... Month](#).

**“The EI rates are definitely not enough. I’d like to see it be a higher proportion of your income.” (Ian, a farm labourer)**



**“You wait a month to collect initially and that’s hard.” (Bill, a fishplant worker)**



**“You kind of look at what has to be paid this month and put whatever else... just like everybody. You use credit. It is very stressful and can lead to physical health problems.” (Susan, a seasonal farm worker)**



## Caregiving Leaves and Other Special Employment Insurance Benefits

### How can these help you and your family?

Canadians who are sick, pregnant, or caring for a newborn or adopted child, as well as those who must care for a family member who is seriously ill with a significant risk of death may also be assisted by Employment Insurance.

#### Maternity, parental, and sickness benefits

- Maternity benefits can be paid up to a maximum of 15 weeks.
- Parental benefits can be paid up to a maximum of 35 weeks.
- Sickness benefits can be paid up to a maximum of 15 weeks.

Beginning in 2011, registered and qualified self-employed workers will be able to begin accessing Employment Insurance (EI) special

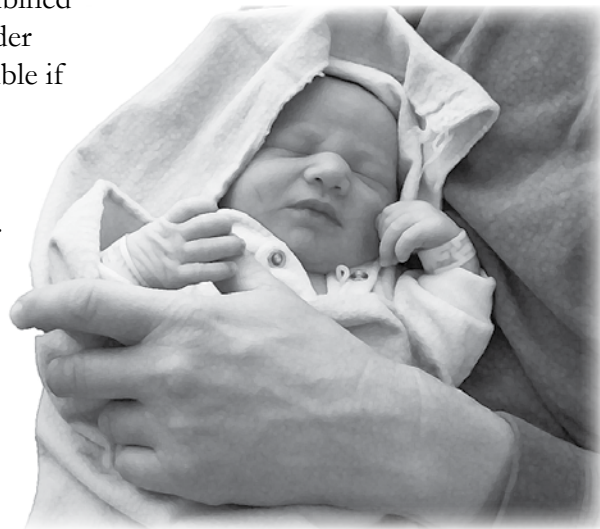
benefits: maternity, parental, sickness, and compassionate care.

A combination of maternity, parental and sickness benefits can be received up to a combined maximum of 50 weeks. Under certain conditions it is possible if sickness benefits were received before or after maternity benefits it could be a maximum of 65 weeks.

#### Family Supplement

If either parent or guardian receives the Canada Child Tax Benefit they are eligible to receive the EI Family Supplement on the family net income up to and including \$25,921

per year and based on the number of children and their ages. Maximum Family Supplement can reach as high as 80% of your average insurable earnings.



# Employment Insurance Information for PEI

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## RESOURCES FOR INFORMATION

Service Canada [www.servicecanada.gc.ca/eng/sc/ei/](http://www.servicecanada.gc.ca/eng/sc/ei/)  
1-800-622-6232

### Union Offices

Canadian Union of Public Employees PEI	566-4006
PEI Union of Public Sector Employees	892-5335
PEI Federation of Labour	368-3068

### PEI Working Group for a Livable Income Members

Actions Femmes de l'I.-P.-E.	854-7250
ALERT	651-2180
Cooper Institute	894-4573
CUPE PEI (Rep)/Federation of Labour	894-4404
Women's Network	368-5040
PEI Advisory Council Status of Women	368-4510
PEI Council of People with Disabilities	892-9149
PEI People First	892-8989
St. Vincent de Paul, Holy Redeemer Parish	892-6123

### The Offices of the Four Local Members of Parliament

Cardigan Riding	838-4139
Charlottetown Riding	566-7770
Malpeque Riding	964-2428
Egmont Riding	882-4493

**“You get a lot of info about EI based on word of mouth.” (Brenda, seasonal restaurant worker)**



**“I use the mail-in for EI reporting. On the phone I'll be lost. I can make a blunder. If it's written I can double check my answers.” (Ian, a seasonal farm worker)**



**“Even on-line it's too complicated and when you use the phone system to report it's so threatening. It's against the law they say on the phone message.” (Janice, a shellfish plant worker)**



THANK YOU to James Cody, a volunteer who interviewed workers with experience receiving EI. A special thank you to the workers receiving EI who were interviewed.



### PEI WORKING GROUP FOR A LIVABLE INCOME

The PEI Working Group for a Livable Income was established in 2003. Its objectives are to raise awareness among Island communities about the reality of low incomes in PEI and to engage citizens in influencing public policy related to all forms of income that individuals and families rely upon. For some, wages are the most important source of income. Employment Insurance is based on this (low wages = miserable EI). For others, income may come from pensions, social assistance, or the Disability Support Program. Livable income means an income which allows a family or an individual to pay their rent or mortgage and their other monthly bills, buy medicine and nutritious food, use transportation and childcare, and have money left for some extras and to cover emergencies..

For more copies of this brochure: e-mail [cooperinstitute@eastlink.ca](mailto:cooperinstitute@eastlink.ca) or download from <http://peiactsw.wordpress.com>.

# Employment Insurance and PEI

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**“You hear about this a lot where I live. It’s how we have to live in the winter... It’s how we’re forced to live here.” (Brenda, a seasonal restaurant worker)**



**“... And 55 per cent of your income if you make minimum wage. Who can live on \$5 an hour, \$40 a day? It’s ridiculous! Some people only bring home \$150 a week. I know (EI) is only a stop-gap, but you still have to live with dignity within that time. (Susan, a seasonal farm worker)**



**“Allowing me to earn up to 40 per cent (of my benefit, through the Working While on EI pilot project) really helped me survive because I was able to work one day a week without being penalized.” (Ann, contract worker in Charlottetown)**



## POLICY-RELATED PROPOSALS

### Immediate

- establish the “Best 14 Weeks” pilot project as a permanent program
- establish the “Working While on Claim” (40% of benefit) pilot project as a permanent program
- establish the “Extended Benefits” (5 additional weeks in affected regions) as a permanent program
- re-establish and further reduce the number of qualifying hours (from 910 to 840 or less) for new EI entrants
- eliminate the two-week waiting period



### Medium Term

- revise the language and attitudes around seasonal work to reflect respect for the many workers dedicated to vital resource-based economic activity such as farming, fishing, and forestry
- create an environment of appreciation for the difficult work required of workers in seasonal work such as tourism, food service, and construction: rather than saying they work for only 20 weeks, say many of them do a year’s worth of work in 20 weeks
- develop an attitude about EI which emphasizes its capacity as an insurance against job loss, and as a matter of social justice rather than charity



### Long Term

- starting now, research and honour the successes of the Guaranteed Annual Income (GAI) experiment in Dauphin, Manitoba, 1974 through 1978, as part of a labour market experiment called MINCOME
- develop a Guaranteed Annual Income (GAI) model for the current decade, looking at all the costs (financial, social, and environmental) and identifying the wide range of benefits (improved physical and mental health; decreased health care costs; sense of well-being; social belonging; community/political involvement; and general population happiness.)



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**“What I observed in 16 years working in a low-paying job environment, I realized what a struggle it was for my co-workers. They were always scrambling to get more hours and it was a physically hard, cold, wet job. I saw men and women working when they were injured from the repetitive physical activity and with injuries including putting one’s ‘back out of kilter,’ carpal tunnel syndrome, tendonitis and injuries caused by actual accidents.”**  
(Janice, a shellfish plant worker)



**“I don’t think we could stay here if not for EI, not that it’s that great but if you’re a bit self-sufficient you can pay your phone and light.”**  
(Murray, fisherman from the Souris area)



## QUESTIONS FOR POLITICIANS

- Do you believe that every person has the right to livable income and to a life with dignity?
- Will you research and adopt a social justice model rather than a charity model when dealing with people’s need for a livable income?
- Will you break away from the patronage style of politics which may get you elected, but which keeps people under your thumb and under your control?
- Will you use your political voice to improve EI programs for people in seasonal and short-term employment?
- Will you advocate for policy proposals to keep pilot projects that benefit workers?
- Will you change (if necessary) your own language and attitudes about people involved in seasonal and short-term employment?
- Will you demand a change of language and attitudes from your political colleagues and staff?
- Will you participate in a long-term program based on the Guaranteed Annual Income?

**“The solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income.” Dr. Martin Luther King, Jr., *Chaos or Community* - 1967**

## What is a Guaranteed Annual Income (GAI)?

From 1974 through 1978, as part of a labour market experiment called MINCOME, all of the almost 13,000 citizens in and around Dauphin, Manitoba, were guaranteed **an annual income support to keep them above the poverty line**. Many took advantage of this support. The federal government covered 75% of the costs and the Province of Manitoba covered the rest.

Unfortunately, this successful social experiment was largely forgotten for

over three decades. The data were collected and warehoused but never analyzed. Now, Dr. Evelyn Forget of the University of Manitoba is analyzing the data. After comparing the administrative health care records of Dauphin’s citizens with similar citizens who did not receive MINCOME, she finds significant savings of public money for health care.

Currently, Senator Hugh Segal is a new voice for Guaranteed Annual Income “If it is done right,” Segal argues, “instituting a basic floor income could diminish federal-provincial and labour-management tensions” and could even,

“over time, reduce the net burden of state spending while increasing aid to, and the privacy and dignity, of those who fall behind.”

