

Via email: carla.qualtrough@hrsdc-rhdcc.gc.ca

March 25, 2021

The Honourable Carla Qualtrough, P.C., M.P.
Minister of Employment, Workforce Development, and Disability Inclusion
140 Promenade du Portage
Gatineau, Quebec K1A 0J9

Dear Minister Qualtrough:

**RE : Urgent Need to Renew a Tripartite Approach to Improving
the Employment Insurance Program Framework**

The past year of the COVID-19 pandemic has been difficult for all Canadians and it has been challenging for businesses. We are grateful to the Government of Canada for the various supports that have been put in place to reinforce Canadian businesses, along with your willingness and ability to adapt and pivot programs for businesses in response to our insights and advice. Yet we are writing to you today, representing businesses across Canada and from various industries and demographics, regarding our concerns that businesses are not being engaged in a tripartite process of consultations regarding ongoing and future changes to the Employment Insurance (EI) Program.

Collectively, we are witnessing a wide-ranging public debate unfolding around the parameters of EI, including current and proposed active uses. It is vital that businesses and employers are fully engaged in all EI consultations and deliberations, not least because we bear the majority of the program costs. These consultations need to be respectful of the time and resources of businesses and employers. Further, our voice as employers is seriously constrained by the vacancy in the role of EI Commissioner for Employers. While this would be a challenge at any

point in time, it is especially so at this moment with so many issues at play. It is therefore imperative that there is an EI Commissioner for Employers appointed and on-boarded before any consultations commence in earnest. Further, any significant permanent changes to the EI Program that have potential cost implications should take place after the pandemic is over and we are firmly in a recovery period.

We further note that a recent group discussion among several large employer associations revealed that none had been invited to appear before the current Parliamentary Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities study on the review of the EI Program. Additionally, very few of us have received outreach by political or public service decision-makers at Employment and Social Development Canada in relation to EI reform. We have serious concerns about the lack of representation and consultation from employers on major EI developments.

We appreciate the need to support individual Canadians over the course of the pandemic, with what started as COVID-19 relief benefits. We also believe that it was necessary for these programs to be situated outside of the EI Program framework. The EI Program is more than 80 years old and lacking significant updating; it was neither nimble nor flexible enough to respond to the current crisis. Moving forward, we need to identify the reforms required to build a system that can respond to current and future workforce needs, ensuring Canadians remain connected to the labour force and have the temporary support they need when they are not.

As the crisis continues, the federal government has folded many Canadians back into an ever expanding and extending EI framework. Given the looming end to COVID-19 relief and related benefits slated for this September, we now find ourselves at a critical juncture for the EI Program in terms of the policy design and delivery, and the need to overhaul or replace procedures. It is also important to highlight that, unlike other government programs, EI is entirely funded by employers and employees without any contribution from government revenues, and with employers contributing 1.4 times the amount that employees pay.

Finally, while we applaud the rate-freeze decision in the context of the many financial and human resources challenges presented by the pandemic, we do not underestimate that there will be significant consequences down the road for the EI account and for future rates. The program's sustainability and its very viability are very much in question in a post-pandemic economy.

The signatories below underscore that the Minister should proactively preserve the foundations of EI as a tripartite system and ensure ongoing engagement between the government, employer and employee representatives alike in major decisions and program design. Employers are projected to pay \$13.4 billion in EI premiums in the coming fiscal year, an amount rising to \$17.5 billion by the last year of the current fiscal forecast, based upon steady-state assumptions and not factoring in any new active uses or program redesign. For employers' financial health and for Canada's broader economic well-being, we believe that it is time for policymakers to reinvigorate tripartite discussions and oversight on the evolution of the EI program.

We, the business community, are willing partners in a necessary tripartite-led system and related consultations that will lead to a comprehensive review of Canada's EI system. We look forward to your response and to working in collaboration on the next steps in the process of EI modernization.

Sincerely,



**Business Council
of Canada**



**Conseil canadien
des affaires**

Goldy Hyder

President and Chief Executive Officer | Président et chef de la direction
Business Council of Canada | Conseil canadien des affaires



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Hon. Perrin Beatty P.C., O.C.
President and Chief Executive Officer
Canadian Chamber of Commerce



Canadian
Construction
Association

Mary Van Buren
President
Canadian Construction Association



Canadian Council for
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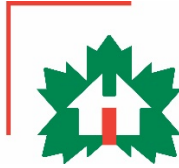


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