

ESDC Releases Second Report on EI Consultations

The federal government should be required to contribute to Employment Insurance (EI) financing when there is a recession, participants suggested during recent consultations on EI reform.

In late September, Employment and Social Development Canada (ESDC) released a report summarizing key findings from the second and final phase of its consultations on modernizing the EI program to make it fairer, more flexible and more responsive to workers' needs.

The second phase of the consultations, which ran from April 29, 2022 to July 29, 2022, focused on financing EI, the Premium Reduction Program, the adequacy of EI benefits and supports for seasonal workers and self-employed workers. Participants included employers, workers, industry groups, unions, self-employed and gig workers, and academics, among others.

In the report, called *What We Heard (Phase 2)*, ESDC summarized key takeaways from the second round of consultations, including the following views:

- The EI program is not ready for a recession, given the deficit in the EI Operating Account, which is forecast to be \$27,255 billion (cumulative deficit) by the end of 2022. To make it better ready for a recession, participants suggested raising the maximum insurable earnings to increase revenue and requiring the government to financially contribute to the program when there is a recession by, for example, tying government funding to significant changes in the unemployment rate.
- Other financing-related suggestions included changing the contribution ratio so that employers and employees pay the same rate instead of employers paying 1.4 times the employee rate as they do now; using experience rating to set premium rates; separating how regular benefits are funded from other benefits (e.g., illness, pregnancy, parental, etc.); and creating a reserve fund to deal with increased costs during a recession.
- The Premium Reduction Program needs to be simplified for employers. Other participants suggested that the program allow for other types of benefits beyond short-term disability for eligibility, including paid sick days and long-term disability plans.
- Labour groups suggested raising the benefit rate from 55% of weekly insurable earnings to 66.67% or 75% for all EI claimants. They also recommended that the government increase the maximum insurable earnings to provide for higher benefits, including possibly matching the maximum for the Quebec Parental Insurance Plan (\$88,000 for 2022).
- Both employer and worker groups generally agreed that seasonal workers might need benefits for a longer period of time than other workers. There were also suggestions to expand the Working While on Claim rules to allow workers to keep more of their earnings before the government reduced their EI benefits.
- There was no consensus on whether self-employed and gig workers should have an income benefit that is separate from EI.

ESDC said it would study the comments and suggestions from both phases of the consultations to develop a plan for updating the EI system. It added that it would announce details of the plan in the coming months.

The first phase of consultations took place from August 2021 to February 2022 and focused on topics such as the changing nature of work, access to EI, simplifying EI, life events, seasonal work and the Premium Reduction Program.

For more information on the phase 1 report, go to <https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/consultations-what-we-heard-phase1.html#h2.01>. For phase 2, visit <https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/consultations-what-we-heard-phase2.html#h2.2>.

We will continue to monitor this story and will report on further developments in upcoming releases.

Reminder: Upcoming Statutory Holidays

Just a reminder... The following statutory holidays are upcoming:

- Mon., Oct. 10: All jurisdictions, except New Brunswick, Newfoundland and Labrador, Nova Scotia and, Prince Edward Island—Thanksgiving
- Fri., Nov. 11: All jurisdictions except Manitoba, Nova Scotia, Ontario, and Quebec—Remembrance Day. In Manitoba and Nova Scotia, the day is a holiday under each jurisdiction's *Remembrance Day Act*. As a result, the holiday is treated in a different way than holidays under employment/labour standards laws.
- Sun. Dec. 25: All jurisdictions—Christmas
- Mon. Dec. 26: *Canada Labour Code* and Ontario—Boxing Day
- Sun. Jan. 1/23: All jurisdictions—New Year's Day
- Mon. Jan. 2/23: Quebec—bank holiday

For information on entitlement to the holidays and how to compensate employees for them, please refer to the applicable jurisdiction in chapter 19, Statutory Holidays.

2023 Maximum Assessable/Insurable Earnings

The following workers' compensation bodies have announced their maximum assessable/insurable earnings for 2023:

British Columbia: \$112,800 (2022: \$108,400)

Nova Scotia: \$69,800 (2022: \$69,000)

Quebec: \$91,000* (2022: \$88,000)

*Proposed

Reminder: Minimum Wage Rates Rising on Oct. 1

Just a reminder... Minimum wage rates rose in a number of Canadian jurisdictions to the following amounts on October 1, 2022:

- Manitoba: \$13.50/hour (previously \$11.95)
- New Brunswick: \$13.75/hour (previously \$12.75)
- Newfoundland and Labrador: \$13.70/hour (previously \$13.20)
- Nova Scotia: \$13.60/hour (previously \$13.35)
- Ontario: \$15.50/hour (previously \$15.00)
- Saskatchewan: \$13.00/hour (previously \$11.81)

In Ontario, the following minimum wage rates also went up on October 1, 2022:

- Homeworkers (110% of general rate): \$17.05 per hour (previously \$16.50)
- Students under 18 working fewer than 28 hours per week (or more than 28 hours during school vacation): \$14.60 per hour (previously \$14.10)
- Hunting/fishing/wilderness guides
 - working for fewer than five consecutive hours a day: \$77.60 (previously \$75.00)
 - working five or more hours, whether or not consecutive: \$155.25 (previously \$150.05)

Ontario Government Seeking Feedback on Portable Benefits

The Ontario government is asking for public feedback, through a survey, on its proposal to implement a portable benefits plan in the province.

The plan would offer benefits like health, dental, prescription drug and vision care to workers who do not have employer benefits. The government says that while most workers in full-time, permanent jobs in the province have medical insurance and dental coverage, fewer than 25% of workers who work part time or in precarious jobs do. Portable benefits would be tied to workers rather than employers, allowing workers to maintain their benefits even if they lose or change their job.

In March, the government appointed an advisory panel to study and make recommendations on how it could set up and administer a portable benefits plan in the province. The online survey is part of the panel's examination of the issue. It will take the feedback into account when making recommendations to the government. The panel's final report is expected next summer.

The deadline for completing the survey is December 16, 2022.

For more information on the survey, go to <https://www.ontario.ca/page/consultation-portable-benefits-program>.

We will continue to monitor this story and will report on further developments in upcoming releases.

Yukon Government says Survey Results show “Mixed” Support for Creating National Day for Truth and Reconciliation Statutory Holiday

A recent survey in Yukon has found “mixed” support for creating a statutory holiday to commemorate the National Day for Truth and Reconciliation, the Yukon government said in releasing a report on the survey results in September.

Earlier this year, it surveyed residents on their views about making the day a statutory holiday under the *Employment Standards Act*. The move came after the federal government created a National Day for Truth and Reconciliation statutory holiday last year to implement one of the calls to action that the Truth and Reconciliation Commission put forward in its 2015 report on the history and legacy of residential schools in Canada on First Nations, Inuit and Métis people. The federal holiday, which applies to federal government employees and workers in federally regulated industries, is observed on September 30 every year.

The territorial report, called *What We Heard*, stated that while 66 percent of all respondents supported establishing a statutory holiday, support was lower among employers than non-employers. Of the employers who responded to the survey, 39 percent were in favour of making the day a statutory holiday, compared to 74 percent of non-employers. In total, the report said there were 1,294 respondents to the survey, which is about three percent of the territory’s population.

Approximately 43 percent of employers who responded said a new statutory holiday would have a high impact on their human resources and staffing, while approximately 17 percent said it would have a moderate impact and about 40 percent said it would have little or no impact. In addition, 58 percent of employers strongly agreed that a new statutory holiday would increase their payroll costs.

The survey also found that 42 percent of all respondents strongly agreed that a new statutory holiday would provide opportunities to celebrate, explore, and respect Indigenous cultures. However, the report noted that some respondents said a statutory holiday would not be “a meaningful reconciliation action without ongoing public education, awareness campaigns, special events, and programs.”

In releasing the report, Minister of Community Services Richard Mostyn said, “We will continue engaging with Yukon First Nations to identify meaningful ways for Yukoners to observe this day and how we can continue to advance reconciliation.”

For more information on the report, see <https://yukon.ca/en/news/what-we-heard-report-details-feedback-proposed-national-day-truth-and-reconciliation>.

Yukon COVID-19 Paid Sick Leave Rebate Extended to Sept. 30/22

The Yukon government has extended its paid sick leave rebate program until March 31, 2023.

The program provides up to 10 days of paid sick leave for workers and self-employed individuals with COVID-19 who do not have access to paid sick days.

The program was scheduled to expire on September 30, 2022, but in a news release, the government said it extended it to “provide a continued safety net for Yukoners over the coming winter.”

Under the program, the government reimburses eligible employers who pay their employees when they take time off work because they are sick with COVID-19, have to self-isolate because of it, or have to care for a family member in relation to COVID-19. The maximum reimbursement is \$378.13 per employee per day for 10 work days. It only applies after the employee has used all existing regular paid sick leave. Employers must submit an application for reimbursement, along with supporting documents, within 30 days of the sick leave period.

The extension does not provide extra days of sick leave under the program. Over the period of October 1, 2021, to March 31, 2023, workers are eligible for a maximum of 10 days paid sick leave. The extension prolongs the use of the days remaining from that allocation, rather than adding more days to it.

For more information on the program, see <https://yukon.ca/en/paid-sick-leave-rebate-employers#about-the-program>.

Payroll Q & A

Question: One of our employees is about to take a self-funded leave of absence. Do we have to issue a *Record of Employment* (ROE) for her?

Answer: No ROE is needed because there is no interruption of earnings. For self-funded leaves, employees work and defer part of their pay for a specified period of time in order to pay for the leave to be taken at a later date (e.g., an employee is paid 75% of her salary for three years and takes a self-funded leave in the fourth year). Employers will have to issue an ROE if either they or the employee breaks the agreement that allowed for the leave and the employee will not be returning to work at the end of the leave. In that case, in block 11 (Last day for which paid) the employer must report the date of the employee’s last day of work before going on the leave.