Appearance of ESDC and NRCan officials before the Standing Senate Committee on Social Affairs, Science and Technology (SOCI) on the examination of Bill C-50, Canadian Sustainable Jobs Act on June 6, 2024.

ESDC Follow-up:

1. **Question from Senator Seidman**: I'm talking about a comprehensive funding program for workers. We can have lots of programs, but what about the funding program for workers to help them securing a new job and having the kind of income support to rebuild their skills that are necessary? This is task force recommendation 7. The other task force recommendation around funding was to create a pension-bridging programs for workers who will retire earlier than planned, because of this program of transitioning. I addressed that with the minister because that is also critically important.

Response:

Employment and Social Development Canada offers a number of programs that provide supports to workers in transition including income support to workers who have lost their job and supports to help them obtain the skills they need to get a new job or upskill for a better job.

The Employment Insurance (EI) program is designed to support labour market transitions. It is an insurance-based program that provides workers who lose their jobs through no fault of their own with temporary income support (EI regular benefits) in order to help them find a new job and stay active in the labour market. The program also provides support for workers who are unable to work because of sickness, pregnancy, caring for a newborn or newly adopted child, and for those who must care for a gravely or critically ill family member (EI special benefits). Additional information about EI benefits can be found at www.canada.ca/en/services/benefits/ei.html.

Under EI eligibility requirements, workers receive EI benefits only if they have contributed to the program by paying premiums in the past year and if they meet qualifying and entitlement conditions. Claimants receiving EI regular or EI fishing benefits must also be available for and actively seeking work while they claim EI benefits.

EI regular benefits can provide between 14 and 45 weeks of benefits depending on the unemployment rate in the region in which the claimant resides and the number of hours of insurable employment in their qualifying period, at a weekly benefit rate that is generally equal to 55 per cent of their previous average weekly earnings, up to a maximum of $668 per week in 2024.

The EI program's Working While on Claim (WWC) provisions also help claimants stay connected to the labour market by encouraging them to accept work while receiving EI benefits. The WWC provisions allow EI claimants to keep 50 cents of their EI benefits for every dollar earned from employment while on claim, up to 90% of the weekly earnings used to calculate their EI weekly benefit rate. Above the 90% threshold, EI benefits are reduced dollar-for-dollar. The WWC rules apply to all types of EI benefits.

In 2022-2023, 1,288,000 workers received temporary income support through EI regular benefits. In total, these workers received over $12.3 billion in income support from EI regular benefits.

In terms of helping workers upgrade their skills, individuals who qualify or previously qualified for Employment Insurance (EI) regular or fishing benefits may pursue training under different scenarios.

Through Skills Boost, which came into effect in August 2018, EI claimants who are long-tenured workers and wish to self-fund full-time training at an approved institution after losing their job, can request permission directly from Service Canada to continue receiving EI benefits during their course or training program, providing them with income support as they seek to upgrade their skills.

In addition, under EI Part II workers can receive employment benefits and support measures. Through agreements with provinces, territories and Indigenous organizations including the Labour Market Development Agreements (LMDAs) and the Indigenous Skills and Employment Training (ISET) program, the Government of Canada funds a range of training and employment programs. These programs provide Canadians with opportunities to develop and upgrade their skills, career counselling, and assistance in finding and maintaining employment. Provinces, territories and Indigenous organizations have the flexibility to design and implement programs that address their respective labour market needs.

The Government of Canada places invests in training through bilateral labour market agreements (LMAs) with provinces and territories. Since 2017, the Government of Canada has invested $25 billion through these agreements to support individuals and employers in accessing training and employment assistance.

This partnership supports one million Canadian individuals and employers each year. These investments are delivered through the LMDAs, funded through EI Part II and the Workforce Development Agreements (WDAs), funded through the Consolidated Revenue Fund.

Under the LMDAs, employment benefits enable eligible unemployed individuals – including current and former EI claimants as well as individuals who have made minimum EI premium contributions in at least five of the last ten years – to gain skills and work experience through programming such as skills training and wage subsidies. The LMDAs also support the provision of Employment Assistance Services for all individuals, regardless of their connection to EI. The WDAs can assist individuals regardless of their employment status. Those who are unemployed, underemployed, employed, or self-employed can receive supports to upskill and/or reorient their careers and to ultimately find and/or maintain good jobs. While both programs offer support to persons with disabilities as they prepare to enter or re-enter the workforce, the WDAs include dedicated funding for persons with disabilities.

As reflected in Budget 2024, the Government of Canada will continue to invest close to $3 billion annually in the LMDAs and WDAs with provinces and territories (PTs).

The Government of Canada remains committed to continuing collaborative and productive partnerships with PTs to help people across the country prepare for, find, and keep employment.

These labour market agreements remain the Government of Canada's largest investment in Canada’s labour market, reflecting the importance of providing training and employment supports to Canadians that respond to localized labour market conditions.

In 2022-2023, the total number of clients receiving support from LMDAs was 478,744, an increase of 10.3% compared to the previous fiscal year. In parallel, the total number of clients receiving support from WDAs was 265,000, an increase of 1.1% compared to the previous fiscal year. Offering a wide array of services, LMAs offer training and upskilling avenues tailored for individuals who are furthest from the labour market. In 2022-23, LMDA participants identifying as under-represented populations included:

- 128,000 persons with disabilities
- 133,000 visible minorities
- 74,000 Indigenous peoples
- 56,000 older workers (55+)
- 100,000 youth (15-24)
- 334,000 women

In 2022-23, WDA participants identifying as under-represented populations included:

- 132,000 persons with disabilities
- 20,000 visible minorities
- 15,000 Indigenous peoples
- 35,000 older workers (55+)
- 62,000 youth (15-24)
- 134,000 women

An EI claimant may be referred to training by a designated authority, such as a province or territory. Such training may be funded through provincial and territorial LMDAs, or it may be self-funded by the claimant. In either of the circumstances, the provincial or territorial government must agree that the desired training is a reasonable part of the claimant's return-to-work action plan. In such cases, claimants continue to receive EI benefits while they upgrade their skills. Indigenous claimants also have the option to take training while on EI with permission from an Indigenous organization under the ISET program.

2. **Question from Senator Seidman**: In the past, again, the government couldn't demonstrate how it had met its commitment to exploring how it would protect the pensions of affected workers. I'd like to be sure we're addressing both sides of the spectrum here, the new workers transitioning, the new workers coming in and then the retiring workers who are forced out as a result, even though we don't want that to happen, but we need to know they will have some kind of pension fund available.

Response:

It is important to note that Canada has a strong social safety net of which the Employment Insurance (EI) program is an important part. Millions of Canadians rely on it each year when they lose their jobs or need to step away from work for illness, childbirth, or taking care of a loved one. The Government's continues to build an EI program that is responsive to all labour market conditions, and is accessible, adequate and financially sustainable.

The Canada Pension Plan provides partial income replacement to all workers in Canada, based on their earnings and contributions to the Plan. The CPP provides workers with flexibility on when and how they begin the pension in order to suit their personal needs. For example, individuals may choose to start an actuarially reduced pension as early as age 60 , or to defer the start and increase their monthly payment, up to the maximum increase of 42% at age 70. Additionally, individuals under the age of 70 who are receiving their pensions while continue to work, or returning to work, can further increase their retirement income by continuing to participate in the Plan.

The Plan contains a number of measures to protect individuals based on events that might disrupt their labour force participation. For example, the general drop out provision was designed to remove the one-sixth (17%) of the contributory period with the lowest earnings, to account for periods of low or no employment earnings. It should also be understood that allowing specific groups earlier access to CPP benefits than others would create inequities and work against the measures that have been taken to make the Plan stable and sustainable. Not only would changing this introduce inequities to the Plan, but it would put financial pressure on the Plan that could require an increase to the contribution rate paid by all workers in Canada and their employers. In addition, the proposed change could result in the need to increase the contribution rate requiring the approval of not only the Government of Canada but also two-thirds of the provinces representing at least two-thirds of the population. In addition, the proposed change could not be made unilaterally, and would require the approval of not only the Government of Canada but also two-thirds of the provinces representing at least two-thirds of the population.