

Employment Insurance

Monitoring and Assessment Report

2006





March 2007

The Honourable Monte Solberg
Minister of Human Resources and Social Development
Place du Portage, Phase IV
140 Promenade du Portage
Gatineau, Quebec
K1A 0J9

Dear Minister Solberg:

We are pleased to present the *2006 Employment Insurance Monitoring and Assessment Report*, the tenth in a series of annual reports submitted by the Canada Employment Insurance Commission under section 3 of the *Employment Insurance Act*.

This report focuses on the period April 1, 2005 to March 31, 2006 with analysis of the overall effectiveness of EI income benefits and active measures, comparing results with the previous reporting period as well as to longer term trends.

The 2006 report includes information from key studies and evaluations that provide insight into the impacts and effectiveness of the EI program. Detailed information on the studies referenced in the report is included in an annex. The report also provides information on Employment Benefits and Support Measures delivered under Labour Market Development Agreements with provinces and territories.

It should be noted that findings on the impacts and effectiveness of the EI program are based on available data. As it takes several months following the end of an EI claim before administrative information is available for analysis, the information about claims that started in the latter part of 2005/06 will only be available later. Analyses based on income tax data use the most recent information available from the tax system, for 2004.

We trust you will find the report informative.

Janice Charette
Chairperson

Patricia Blackstaffe
Commissioner for Workers

André Piché
Commissioner for Employers

Employment Insurance

Monitoring and Assessment Report

2006



Submitted to:

The Minister of Human Resources and
Social Development Canada

March 31, 2007

By:

The Canada Employment
Insurance Commission

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For additional copies of this publication, please write or fax the Enquiries Centre, indicating the catalogue number:
SP-102-04-07E

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Available on the Internet at <http://www.hrsdc.gc.ca>

Available in alternate formats, upon request, at 1 800 788-8282.

Aussi disponible en français sous le titre *Assurance-emploi – Rapport de contrôle et d'évaluation 2006*.

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Cat. No. HS1-2/2006E
ISBN 978-0-662-45769-5

Table of Contents

Introduction	1
Executive Highlights	3
Chapter 1 ○ Labour Market Context	5
I. Overview	5
II. Employment	6
III. Unemployment	7
IV. Demographic Groups	8
V. Labour Markets, by Sector and Size of Employer	9
VI. Provincial Labour Markets	9
VII. Education	10
Chapter 2 ○ Income Benefits	11
I. EI Clients	11
II. Assisting Canadians in Facing the Risk of Unemployment	13
III. Supporting Working Canadians and Their Families	16
Chapter 3 ○ Employment Benefits and Support Measures and the National Employment Service	19
I. National Overview	19
II. Pan-Canadian Activities	24
III. Provincial and Territorial EBSM Activity	25
Chapter 4 ○ Modernizing Employment Insurance Services for Canadians: An Evolution of Service Delivery by the Government of Canada	39
I. Introduction	39
II. Modernization of Service Delivery: Technology and Innovation	40
III. Service Delivery: A Citizen-Centred Approach	40
IV. Modernization of Service Delivery: Service to Individuals	41
V. Modernization of Service Delivery: Service to Employers	42
VI. Client Satisfaction: Quality, Accuracy and Efficiency	43
VII. Improved Citizen Access	44
VIII. Service Transformation: Creation of Service Canada (2005)	45
IX. Summary	46

Chapter 5 ○ Impacts and Effectiveness of the Employment Insurance Program	47
I. EI and Individuals	47
II. Promoting Work Force Attachment	60
III. Evaluation of Employment Benefits and Support Measures	63
IV. EI and the Workplace	67
V. EI and the Economy	68
VI. EI Finances	69
Annex 1 ○ Key Labour Market Statistics	71
Annex 2 ○ Income Benefits Data Tables	79
Annex 3 ○ Employment Benefits and Support Measures Data Tables	99
Annex 4 ○ Community Profiles	117
Annex 5 ○ Key Studies Referenced in Chapter 5	125
Annex 6 ○ Recent Changes to Employment Insurance	135

Employment Insurance (EI) reform, introduced in July 1996 and January 1997, represented a fundamental restructuring of the Unemployment Insurance program. Accordingly, the Government of Canada included a legislative requirement for the Canada Employment Insurance Commission to monitor and assess the impacts of the reform in a series of annual reports to Parliament.

The sound evidence provided by monitoring and assessment activities has informed modifications to the EI program, such as enhancements to maternity and parental benefits, modifications to the rules concerning small weeks, and the introduction of a number of pilot projects to test measures designed to help seasonal workers. To ensure that sound evidence continues to inform the direction of the EI program,¹ the government will continue to monitor and assess the EI program.

Chapter 1 of this report provides an overview of the Canadian labour market in 2005/06. Chapter 2 is an overview of EI benefits (income benefits) under Part I of the *Employment Insurance Act* for the same period. The support provided to unemployed workers through active re-employment measures, known as Employment Benefits and Support Measures (EBSMs), is discussed in Chapter 3. Chapter 4 presents information on the evolution of EI program administration and service delivery, including the launch of the Service Canada initiative. Chapter 5 analyzes the impacts and effectiveness of the EI program based on administrative data, internal and external research, and evaluative studies.

Canada Employment Insurance Commission

The Canada Employment Insurance Commission has four members, who represent the interests of government, workers and employers. The chairperson and vice-chairperson (the deputy minister and associate deputy minister of Human Resources and Social Development Canada) represent the federal government. The commissioners for workers and employers represent the interests of workers and employers, respectively. Among

its other responsibilities, the Commission has been assigned the legislated mandate to monitor and assess the impacts of EI reform. The Commission must provide the minister with the report no later than March 31. The minister then tables the report in Parliament.

The monitoring and assessment process helps to provide a broad understanding of the effectiveness of the EI program. It reports on impacts on individuals, communities and the economy, and contributes to the evolution of the program by providing feedback on how EI is assisting Canadians with temporary income support and re-employment measures.

Legislated Mandate

Specifically, section 3(1) of the *Employment Insurance Act* states the following.

“The Commission shall monitor and assess:

- a) how individuals, communities and the economy are adjusting to the changes made by this Act to the insurance and employment assistance programs under the *Unemployment Insurance Act*;
- b) whether the savings expected as a result of the changes made by this Act are being realized; and
- c) the effectiveness of the benefits and other assistance provided under this Act, including
 - (i) how the benefits and assistance are utilized by employees and employers; and
 - (ii) the effect of the benefits and assistance on the obligation of claimants to be available for and to seek employment and on the efforts of employers to maintain a stable workforce.”

¹ The *Monitoring and Assessment Report* uses many sources of information in analyzing the effects of the changes introduced under EI reform. In addition to Human Resources and Social Development Canada (HRSDC) administrative data, Canadian Out-of-Employment Panel studies and information from Statistics Canada, it also uses evaluation studies funded by HRSDC. As in previous reports, this report includes references to evaluation studies that touch on both Part I and Part II benefits of the *Employment Insurance Act*.

This tenth Employment Insurance (EI) Monitoring and Assessment Report continues an annual examination of EI for the fiscal year ending March 31, 2006.

Thirteen consecutive years of employment growth

- Annual average employment grew moderately in 2005/06, by 239,500 (+1.5%).
- Most job growth since 1999/00 has been in full-time employment.
- Most of the gains in 2005/06 took place among employees, though self-employment also grew.
- The unemployment rate fell to a 30-year low.

Access to EI benefits remained high

- Among those who had been contributing to the EI program (by paying premiums) and were then laid off, 83.4% were eligible for EI benefits in 2005.
- Eligibility is determined by work patterns. It was highest for those working year round and full time. Access is lower among part-time employees and those with lower work force attachment.
- Access is highest in regions of high unemployment.
- The vast majority of workers accumulate sufficient hours of insured employment to qualify.

Regular EI claims and benefits declined

- The number of new regular claims fell by 3.1% in 2005/06, to 1.3 million.
- Regular benefits paid decreased to \$8.0 billion (from \$8.2 billion the previous year), as average weekly benefits increased to \$324 (from \$315 in 2004/05).
- The largest declines in the number of regular claims were in Alberta, British Columbia and Saskatchewan.
- The average regular claim lasted 19.2 weeks and represented 59.8% of the average number of weeks claimants were entitled to receive.

First decline in fishing claims since 1999/00

- The decline in fishing claims was concentrated in Newfoundland and Labrador and in British Columbia.
- The average weekly fishing benefit decreased to \$377, which was the first decline in nearly 10 years in the average weekly payment for any type of EI benefit.

Maternity and parental claims declined

- There was a decrease in the number of maternity claims in 2005/06, due to a decline in Quebec (even before the province implemented its own parental insurance plan in January 2006), which was partially offset by increases in other provinces and territories.
- The decrease in the number of maternity and parental claims made by women was partially offset by an increase in the number of men claiming parental benefits.
- Parents who share parental benefits use almost all (93.5%) of the full year of benefit entitlement.

Apprenticeship claims and benefits increased

- The number of apprenticeship claims increased by 10.6% compared to 2004/05, and 38.3% of the 34,970 claims by apprentices were not subject to a waiting period.
- Total benefits paid to apprentices increased to \$105.0 million, and 46.6% of apprenticeship claimants received the maximum weekly benefit of \$413.

Average weekly benefits have grown faster than projected annual average earnings (PAAE)

- Since 1996/97, average weekly benefits have increased from \$272 to \$324, or by 19.2%, exceeding the growth rate of the PAAE by 2.7 percentage points.

- The proportion of clients receiving the maximum weekly benefit has been increasing. It reached 36.8% of all regular claimants in 2005/06, reflecting increases in average wage rates.

Positive labour markets allowed a refocusing of active employment measures

- A decrease in expenditures on employment benefits was partially offset by increases in employment services and pan-Canadian expenditures.

Chapter 1 Labour Market Context

This chapter outlines key labour market developments and the economic context in which the Employment Insurance (EI) program can be assessed for fiscal 2005/06.¹ More detailed information on various elements discussed in this chapter can be found in Annex 1.

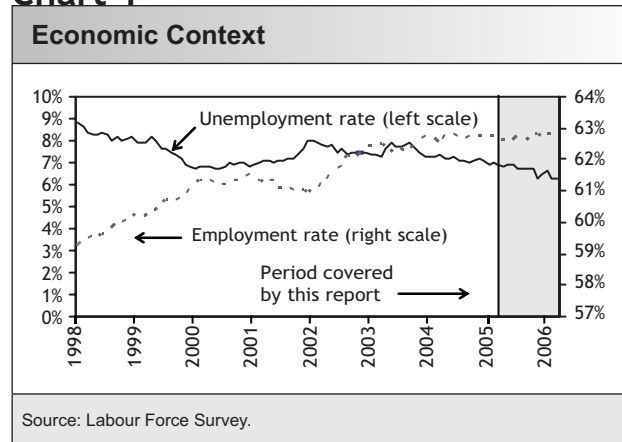
I. Overview

The strength of the Canadian economy decreased slightly in fiscal 2005/06 in comparison to the previous fiscal year. Despite this slight decrease, the Bank of Canada reported that the Canadian economy operated just above its production capacity. With some moderation in U.S. economic growth, combined with past interest rate and exchange rate increases, the Bank of Canada projects that growth will stay in line with capacity through 2008.² Gross domestic product (GDP) grew by 3.1% in 2005/06 following growth of 3.3% in the previous fiscal year. GDP growth was fuelled principally by the services-producing sector, with growth of 3.3%. Growth in the goods-producing sector was 2.5% in 2005/06.

GDP growth was also unequally distributed among provinces and territories. In 2005, over half of the increase in GDP was in Quebec and Ontario, while another third was in Alberta and British Columbia.

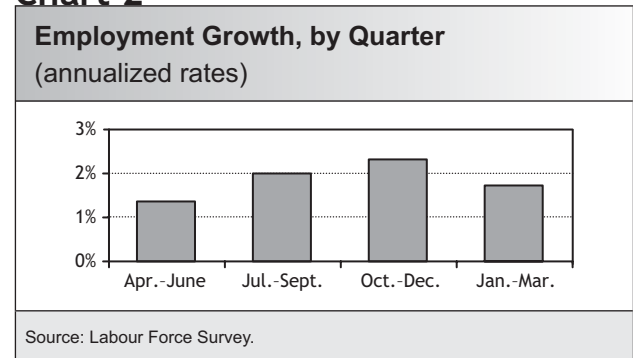
Fiscal 2005/06 marks the thirteenth consecutive year in which employment in Canada increased, with the addition of 239,500 jobs. Employment has increased every year since fiscal 1992/93. In 2005/06, employment growth was spread somewhat uniformly between men and women, but was concentrated in the services-producing sector, with employment in the goods-producing sector remaining relatively stable. Employment growth was strongest in the October to December 2005 period (Chart 2).

Chart 1



GDP grew faster in the final quarter of the fiscal year (3.8% annualized rate) than during the first three quarters of 2005/06, mainly due to continued strength in investment and personal expenditure.³

Chart 2



In 2005/06, the annual average unemployment rate was 6.6%, the first time the annual average unemployment rate had fallen below 7% since fiscal 2000/01 and the lowest rate in the last 30 years.

At the provincial level, British Columbia had the fastest rate of employment growth in the country for the second year in a row, at 3.4%. However, Ontario had the highest growth in terms of number of jobs, with a net employment increase of 96,100.

¹ The reporting period analyzed is the fiscal year from April 1, 2005, to March 31, 2006. Unless otherwise indicated, data in this chapter are taken from Statistics Canada's Labour Force Survey (LFS).

² Bank of Canada, *Monetary Policy Report Update*, January 2007.

³ Statistics Canada, *The Daily*, Wednesday, May 31, 2006.

The educational attainment of Canadians continued to increase in 2005/06, and individuals with university degrees had the lowest rates of unemployment.

II. Employment

In 2005/06, employment rose by 239,500 (+1.5%), bringing gains since 1999/00 to more than 1.7 million. Job growth in 2005/06 marked the smallest increase in employment since 2002/03, when employment grew by over 3.0%. In spite of the modest gain in 2005/06, the annual average employment rate remained similar to the previous year's rate of 62.7% for persons aged 15 years and older. This figure is up from 1999/00, when the annual average employment rate was 60.8%. Among G7 countries, Canada had the second-highest employment rate growth among persons aged 15 to 64 (1.4%) in 2005,⁴ just behind the United States, which had a growth rate of 1.8%. However, the participation rate in the United States (75.4%) was lower than it was in Canada (77.8%).

Future Watch

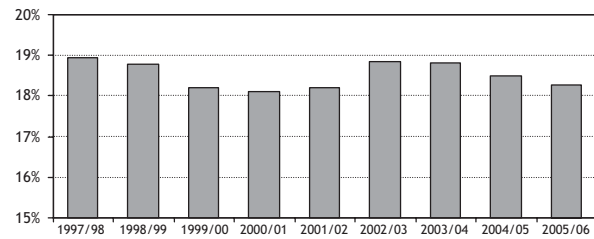
The aging population and retirement of baby boomers will influence employment and productivity growth. Canada's low birth rate is expected to continue to limit labour force growth in the future.

The Canadian labour force grew by close to 1.0% in 2005/06, its smallest annual increase since 1995/96. The participation rate (67.2%)⁵ decreased slightly for the second fiscal year in a row.

In 2005/06, full-time employment grew by 229,100, accounting for 95.7% of the overall growth in this period. Since 1999/00, full-time employment has accounted for more than 85% of net job growth. The part-time share of total employment decreased slightly to 18.3% in 2005/06. The part-time share of employment has been relatively stable between 18.0% and 19.0% since 1997/98 (Chart 3).

Chart 3

Part-Time Share of Total Employment



Source: Labour Force Survey.

Most of the employment growth in 2005/06 was among employees, for whom employment grew by 191,500 (+1.4%). The number of employees grew faster in the public sector than in the private sector (+2.8% versus +1.0%).

In 2005/06, self-employment increased by 48,000 (+1.9%). As in the last three years, self-employment proportionally outgrew paid work, but the share of self-employment in total employment did not change much and remains lower than it was in 1997/98 (Table 1). The majority of self-employed workers are not covered by EI.

Table 1

Annual Growth Rates and Share of Self-Employed in All Employment

	Annual Growth Rates (%)		Share of Self-employed in All Employment (%)
	Employees	Self-employed	
1995/96	0.8	3.4	15.8
1996/97	0.4	4.3	16.3
1997/98	1.4	8.1	17.2
1998/99	2.6	1.7	17.1
1999/00	3.0	0.9	16.8
2000/01	3.5	-4.5	15.7
2001/02	1.9	-2.6	15.1
2002/03	3.0	3.1	15.2
2003/04	1.7	2.9	15.3
2004/05	1.6	2.6	15.5
2005/06	1.4	1.9	15.5

Source: Labour Force Survey.

⁴ The G7 comparison is based on Organisation for Economic Co-operation and Development (OECD) data, which are recorded for calendar years.

⁵ This differs from the OECD figure (77.8%) as it is based on persons aged 15 and older, while the OECD figure is based on persons aged 15 to 64.

Chart 4

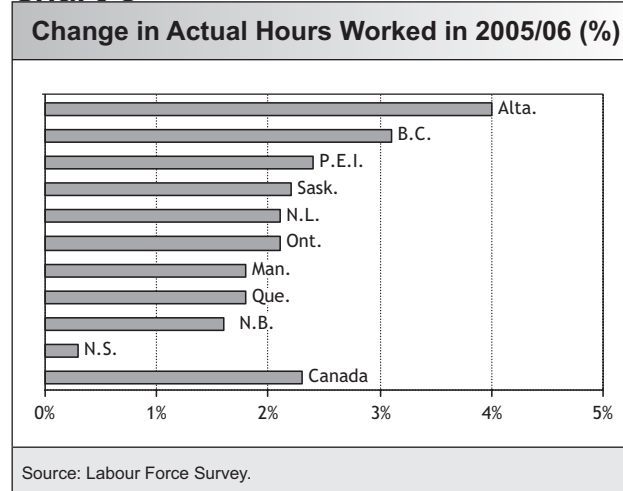


In 2005/06, 13.2% of all employees had temporary work arrangements, up 0.3 percentage points from the previous period (Chart 4). Temporary work arrangements, which include seasonal work, have accounted for 12.0% to 13.0% of total employment in recent years.

1. Hours Worked

EI entrance requirements are based on hours worked. Total hours worked in Canada rose by 2.3% in 2005/06, after having increased by 3.0% in the previous year. The number of hours worked increased in all provinces. Alberta was at the top of the list with an increase of 4.0%, followed by British Columbia with an increase of 3.1% (Chart 5).

Chart 5



In 2005/06, average weekly hours worked in Canada increased only slightly to 37.2 per week from 36.9 per week in 2004/05. Thus, the increase in total hours is explained by growth in employment. The average work week for men was 40.4 hours in 2005/06, while on average women

worked 33.5 hours per week. Average weekly hours were 41.3 for full-time workers and 18.9 for part-time workers in 2005/06.

2. Income

Weekly nominal wages rose by 3.7% in 2005/06, attributable mainly to an increase in hourly wages (+3.4%) rather than to a longer average work week. Weekly wages had increased by 2.6% in 2004/05. Weekly wages grew faster for women (+4.6%) than for men (+3.0%). However, women's average weekly wages were 73.0% of men's (up from 69.4% in 1997/98). Women's hourly wages were 83.9% of men's in 2005/06.

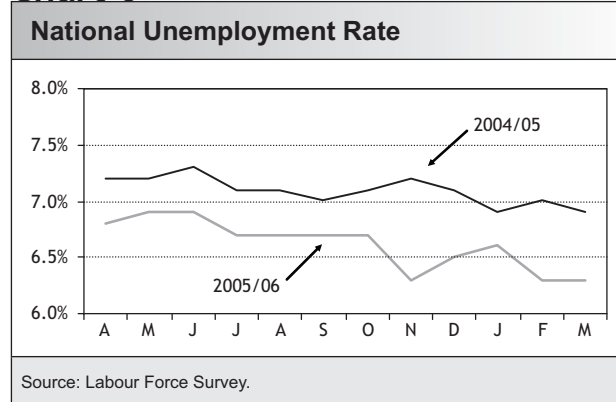
Combined with the gains in the number of employees in the fiscal year, these wage gains led to a rise in total wage payments of 5.1%. Wages help determine both the weekly benefits that EI claimants receive, and the premiums employers and employees pay.

III. Unemployment

Canada's annual average unemployment rate fell to 6.6% in 2005/06, from 7.1% the previous fiscal year—the first time the average unemployment rate had fallen below 7.0% since 2000/01. As it did in the previous year, the unemployment rate decreased among all demographic groups in 2005/06, to 12.2% for youths, 5.7% for men aged 25 to 54, 5.6% for women aged 25 to 54, and about 5.0% for men and women aged 55 and over (Chart 7).

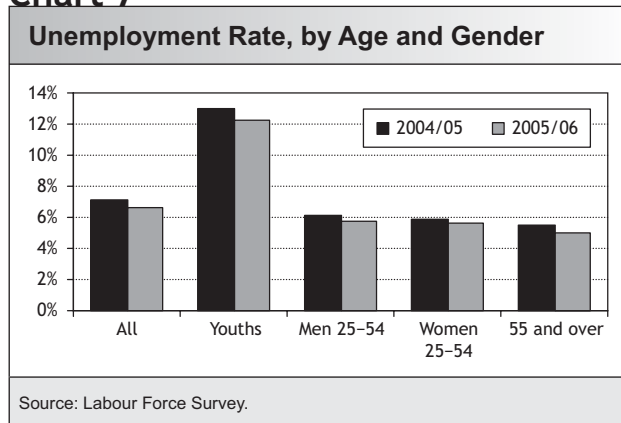
In 2005/06, annual average unemployment fell by 69,700 (-5.7%) to 1.15 million (from 1.22 million in 2004/05).

Chart 6



The reasons people become unemployed have an impact on their eligibility for EI benefits, and these reasons changed little during 2005/06. Job losers accounted for nearly half (45.5%) of the unemployed, job leavers for 22.1%, and people entering or re-entering the labour market after a year or more of inactivity for 32.4%.

Chart 7



Future Watch

The Conference Board of Canada expects a gradual decline in the equilibrium rate of unemployment (the lowest unemployment rate that would prevail if unemployment was due only to job turnover and skills mismatch) over the next 20 years.

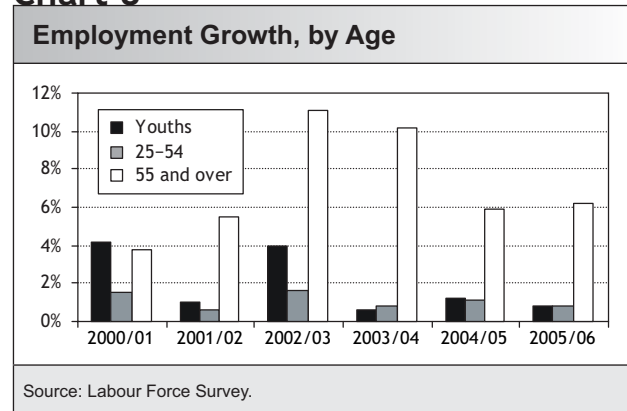
People who were unemployed for more than a year (long-term unemployed) accounted for 4.7% of total unemployment in 2005/06, virtually unchanged from the previous year. Close to 59% of the long-term unemployed were men. Youths (aged 15 to 24) accounted for 6.8% of the long-term unemployed, while those aged 25 to 54 made up nearly three quarters (72.7%) of those who had been without work for more than a year. Those aged 55 and over accounted for 20.2% of the long-term unemployed, though they represented just over 10% of total unemployment. When people establish an EI claim, their eligibility for benefits depends on their having had insured work (and thus having paid premiums) within the previous 52 weeks.

IV. Demographic Groups

Job gains in 2005/06 were split almost evenly between men (+122,100) and women (+117,300). Employment growth was also shared across all age groups: employment grew by 20,500 for youths, comprising about 8.6% of total employment growth. For those aged 25 to 54, employment increased by 88,500 (37.0% of total growth). For workers aged 55 and over, employment grew by 130,500 (54.5% of total growth), reflecting the movement of employed early baby boomers into this age group.

Older workers have experienced faster job growth than those aged 25 to 54 in recent years (Chart 8). In 2005/06, employment among older workers grew by 6.2%, four times faster than the national average. This growth has raised the share of employment held by older workers to 13.8%, from 9.5% in 1995/96.

Chart 8



For a second consecutive year, the employment rate was 62.7%, the highest on record for the past three decades. The employment rate for youths decreased very slightly in 2005/06 to 58.0% (compared to 58.1% in 2004/05). The employment rate among adults aged 25 to 54 was unchanged over the previous year, at 81.3%. The employment rate for workers aged 55 and over increased from 29.2% in 2004/05 to 30.1%, the highest employment rate for this age group since the late 1970s.

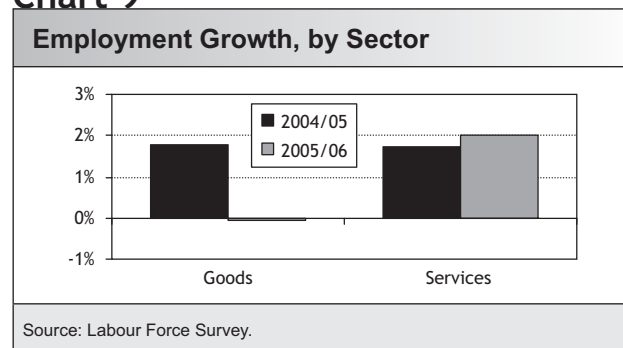
Future Watch

The first baby boomer will reach age 65 in 2012, which will amplify the impact of an aging population on the growth of the labour supply.

V. Labour Markets, by Sector and Size of Employer

In 2005/06, employment growth of 239,500 was the result of growth of 242,700 (+2.0%) in the services-producing sector and a slight decline in the goods-producing sector (Chart 9). The manufacturing industry in the goods sector was particularly affected, with the loss of 109,600 jobs (-4.8%). The construction industry gained 68,800 jobs (+7.1%) and there were gains in agriculture (24,000) and in forestry, fishing, mining, oil and gas (20,200).

Chart 9



In the services-producing sector, educational services experienced the largest increase, with a gain of 84,800 jobs (+8.1%). There were also large increases in trade (+67,500), in professional, scientific and technical services (+40,300), and in business, building and other support services (+29,800), as well as in finance, insurance, real estate and leasing (+20,700).

Slightly over half of employed Canadians work for small and medium-sized businesses. In fact, the Labour Force Survey (LFS) indicates that 1.7 million workers are “own-account” self-employed, while another 860,000 of the self-employed have employees working for them. According to Statistics Canada’s Survey of Employment, Payrolls and Hours (SEPH),⁶ in 2005/06, 55.7% of Canada’s 13.6 million employees worked for small and medium-sized enterprises (organizations with fewer than 500 employees). Enterprises with fewer than 20 employees accounted for 21.2% of employment, while enterprises of 20 to 99 employees accounted for another 19.3%. Enterprises with 100 to 499 employees made up 15.2% and the remaining 44.3% of employees worked in large firms of 500 employees or more.

⁶ The following industries are not included: agriculture, fishing and trapping, private household services, religious organizations and defence services (military personnel).

In recent years, annual net growth in the number of employees has varied greatly by size of employer. In 2005/06, large enterprises of 500 employees or more accounted for 68.2% of all net new jobs, while enterprises of 100 to 499 employees accounted for 8.0%. Enterprises with 20 to 99 employees made up 20.5% of net job creation and the remaining 3.3% was in businesses with fewer than 20 employees.

VI. Provincial Labour Markets

In 2005/06, there were employment gains in 7 of 10 provinces. Ontario again generated the most new jobs (+96,100), followed by British Columbia (+70,400), Quebec (+35,000) and Alberta (+33,800). British Columbia experienced the highest rate of growth in employment (+3.4%). Saskatchewan (-0.1%), Newfoundland and Labrador (-0.4%), and Nova Scotia (-0.2%) experienced employment losses (Table 2).

Table 2

Employment Growth, 2005/06		
	(000s)	(%)
British Columbia	70.4	3.4
Alberta	33.8	1.9
Ontario	96.1	1.5
Prince Edward Island	0.7	1.0
Quebec	35.0	0.9
Manitoba	3.5	0.6
New Brunswick	2.2	0.6
Saskatchewan	-0.3	-0.1
Nova Scotia	-0.9	-0.2
Newfoundland and Labrador	-0.9	-0.4
Canada	239.5	1.5

Source: Labour Force Survey.

In British Columbia, employment increased by 3.4% during the year. In 2005/06, the construction industry there continued to grow steadily, with an increase of 11.3% (+17,200). Since 2000/01, the construction industry has experienced the largest job growth in that province, with the creation of 60,700 jobs (+55.5%). In 2005/06, trade industry jobs increased by 27,600. The province’s unemployment rate dropped to 5.4% in 2005/06, the lowest level in 30 years.

In Alberta, employment increased by 33,800 (+1.9%). The province's professional, scientific and technical services (+16,800), forestry, fishing, mining, oil and gas (+13,700), and health care and social assistance (+11,500) industries experienced the largest growth in employment. Alberta's unemployment rate in 2005/06 was 3.8%, its lowest level in 30 years.

As Canada's largest province, Ontario generated the largest net increase in employment, at 96,100 (+1.5%). The services-producing sector propelled the province to the forefront, particularly the educational services (+48,500), trade (+18,800), and finance, insurance, real estate and leasing (+16,000) industries. In the goods sector, gains in construction partially offset losses in manufacturing. The unemployment rate fell to 6.5% in 2005/06, from 6.8% the previous year.

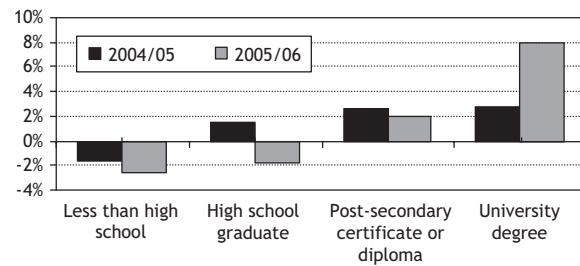
During the year, employment in Quebec increased by 0.9%. The construction, business, building and other support services, agriculture and trade industries experienced the greatest increases. The unemployment rate in Quebec fell to 8.3%, the lowest level since 1975/76.

VII. Education

In 2005/06, the educational attainment of Canadians continued to rise. The proportion of the working-age population with at least a post-secondary certificate or diploma increased to 48.2%, from 46.9% in 2004/05. This proportion was 32.7% in 1990/91 and has followed an upward trend since then. Net employment growth among those with a university degree was 7.9% in 2005/06, compared to 2.8% the previous year (Chart 10). The number of people with a post-secondary certificate or diploma increased by 2.1%.

Chart 10

Employment Growth, by Educational Attainment



Source: Labour Force Survey.

At 4.5%, the unemployment rate for those with a university degree was the lowest of any educational group. In comparison, the unemployment rate was 6.9% for high school graduates and 5.3% for those with a post-secondary certificate or diploma. The unemployment rate among those who had not completed high school was 12.3%.

Future Watch

Throughout 2005/06, there were many media reports of skills shortages in some regions of the country with record low unemployment rates. This trend can be expected to continue in the future.

Chapter 2 Income Benefits

This chapter provides an overview of Employment Insurance (EI) benefits under Part I of the Employment Insurance Act. The first section, “EI Clients,” outlines changes to claims and benefits in 2005/06.¹ “Assisting Canadians in Facing the Risk of Unemployment,” the second section, examines income support provided through EI regular benefits to individuals who lose their jobs. The third section, “Supporting Working Canadians and Their Families,” examines the role EI plays in assisting Canadians to balance work commitments with family responsibilities and personal illness through special benefits such as maternity, parental, sickness and compassionate care.

The analysis in this chapter uses EI administrative data and is based on a 10%² sample of claims as of August 2006.³ Throughout the chapter, data for 2005/06 are compared to 2004/05 data. Some longer term trends are also discussed. More detailed information on the various elements discussed in this chapter can be found in Annex 2.

I. EI Clients

In 2005/06, the number of EI claims established decreased by 1.9% (-35,090) to 1.8 million, smaller than the decrease in the previous year. This is the result of a decrease in claims for regular benefits partially offset by an increase in claims for special benefits. Total benefits paid changed little from the previous year at \$12.7 billion, as average weekly benefits paid increased to \$323, up from \$315 in 2004/05. This combination of decreased new claims and higher weekly benefits is consistent with the drop in unemployment and the growth in average weekly wages described in Chapter 1.

Benefits paid increased in 2002/03 and 2003/04, and declined in 2004/05. They changed little in 2005/06, when total benefits paid were 10.0% higher than they were in 2001/02.

In 2005/06, close to two thirds of all EI income benefits paid were regular benefits, over 30% were special benefits and the remaining 5% were related to employment benefits, fishing and Work Sharing (Table 1). This distribution

Table 1

Total Income Benefits (Part I), 2005/06		
Type of Benefits	Benefits Paid (\$ Millions)	As a %
Regular	8,045.3	63.4
Special		
Parental	2,186.9	17.2
Maternity	941.4	7.4
Sickness	859.2	6.8
Compassionate Care	7.8	0.06
Employment Benefits ⁴	374.2	2.9
Fishing	259.1	2.0
Work Sharing	12.6	0.1
Total	\$12,686.1	100%

is similar to that of 2004/05. The proportion of all regular and fishing claims accounted for by frequent claimants increased slightly during the reporting period, from 37.1% to 38.4%.⁵

¹ “Claims” refers to new claims established in 2005/06. Some of the benefits paid in 2005/06, however, are associated with claims established in the previous fiscal year.

² Due to the relatively small number of fishing and compassionate care claims, 100% of these claims established during fiscal 2005/06 are used, to ensure reliability.

³ Administrative data in this report provide a snapshot of claims in August 2006. A snapshot based on a different time period would provide a different picture.

⁴ Some Employment Benefits and Support Measures (EBSMs) participants receive Part I income benefits.

⁵ Frequent claimants are defined as claimants who have made three or more claims in the five years prior to their current claim. First-time claimants are individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are individuals who have had fewer than three active claims in the five years prior to their current claim.

Together, Ontario and Quebec accounted for 61.1% of all EI claims established in 2005/06, while these provinces together accounted for 63.5% of employees (Table 2). The proportion of new claims in the four Atlantic provinces was 16.3%, in comparison to a 6.8% share of employees. The Prairie provinces accounted for 11.8% of new EI claims, while British Columbia represented 10.5% of new claimants. The Prairie provinces represented 17.0% of employees in 2005/06, and British Columbia accounted for 12.6%.

Table 2

New EI Claims, Employees and Average Weekly Benefit, by Province and Territory, 2005/06			
Province/Territory	% of All EI Claims	% of Employees	Average Weekly Benefit (\$)
Newfoundland and Labrador	5.1	1.4	319
Prince Edward Island	1.3	0.4	318
Nova Scotia	4.8	2.8	310
New Brunswick	5.1	2.3	310
Quebec	31.4	23.5	318
Ontario	29.7	40.0	332
Manitoba	3.0	3.6	306
Saskatchewan	2.3	2.8	315
Alberta	6.4	10.7	337
British Columbia	10.5	12.6	323
Nunavut	0.1	N/A	363
Northwest Territories	0.1	N/A	382
Yukon	0.1	N/A	364
Canada	100%	100%	\$323

Average weekly benefits increased in every province and territory. Prince Edward Island, Nova Scotia and Nunavut experienced the highest increases, ranging between \$12 and \$17. The remaining provinces and territories experienced more moderate increases of between \$5 and \$11, reflecting variations in insurable earnings. Average weekly benefits are highest in all three territories, reflecting the higher wages and higher cost of living there.

The manufacturing and construction industries (in the goods-producing sector) represented 29.6% of all new claims established in 2005/06. The two most important industries

in terms of EI claims in the services-producing sector—the retail trade and educational services industries—accounted for 15.7% of all new claims in 2005/06.

The number of claims decreased for both women (-2.0%) and men (-1.8%) in 2005/06, following decreases of 3.4% and 7.5%, respectively, in 2004/05. The share of EI claims established by women remained relatively stable in 2005/06, at 46.8%.

Benefits paid decreased slightly for men (-1.9%) and increased slightly for women (+1.0%). The decrease in benefits paid to men was due to a decrease in regular benefits paid (-2.5%), which was partially offset by an increase (+6.6%) in special benefits paid to men. Conversely, the increase in benefits paid to women was predominantly due to an increase in special benefits paid (+3.5%), partially offset by a fall in regular benefits paid to women (-1.3%).

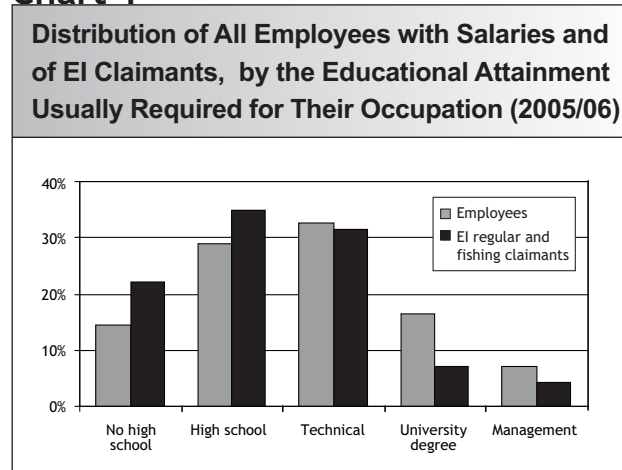
As mentioned in Chapter 1, in 2005/06, all demographic groups experienced a decrease in their unemployment rate. Youth experienced a decrease of 6.4% in EI claims, while the number of claims from individuals aged 25 to 44 decreased by 3.5%. Those aged 45 to 54 experienced a modest increase of 1.3% in EI claims, while older workers experienced an increase of 4.6%.⁶

The Family Supplement increases weekly benefits for claimants from low income families with children. In 2005/06, a total of 154,730 clients received higher weekly benefits as a result of the Family Supplement, a decrease of 7.6% relative to 2004/05. Total Family Supplement benefits paid decreased by 3.6% to \$169.4 million in 2005/06. The average weekly top-up provided by the Family Supplement remained relatively stable at \$43. Chapter 5 provides additional analysis of Family Supplement trends.

Chapter 1 noted that higher levels of education were associated with lower unemployment rates. A comparison of the occupational profile of EI regular and fishing clients with that of all paid employees is consistent with these findings. Chart 1 indicates that employees in occupations usually requiring less formal education are more likely to receive EI benefits than those in occupations usually requiring a university degree and those in managerial positions.

⁶ "Youths" are defined as workers under the age of 25 and "older workers" are those 55 years of age and older.

Chart 1



1. EI Contributors

In 2004, 16.4 million workers received at least one T4 with employment income.⁷ They paid \$7.4 billion in EI premiums, while employers paid close to \$10.3 billion,⁸ for a total of \$17.7 billion. See Annex 2.16 for a distribution of total EI premiums by province, gender, age and industry.

II. Assisting Canadians in Facing the Risk of Unemployment

A key objective of EI is to provide temporary income support to insured Canadians who involuntarily lose their jobs. The EI program is specifically designed to respond to changes in local labour markets, by adjusting entrance requirements and the duration of entitlement to regular benefits when regional unemployment rates change in any of the 58 designated EI economic regions. This is known as the Variable Entrance Requirement (VER). See Annex 1.1 for a breakdown of unemployment rates by EI region.

1. Regular Benefits

In 2005/06, the number of new regular EI claims decreased by 3.1% to 1.3 million. Benefits paid to regular beneficiaries decreased by 2.1%, from \$8.2 billion to \$8.0 billion. The average weekly benefit increased (+2.7%) from \$315 to \$324, while there was a slight decrease in average weeks paid from 17.5 to 17.2 weeks. Thus, the fall in benefits paid is almost entirely due to the decrease in the number of new regular claims.

⁷ The most recent tax data available are for 2004.

⁸ Employer contributions are 1.4 times employee contributions.

The number of new regular claims decreased in every province and territory, with the exception of Ontario and Nunavut, which experienced increases of 1.9% and 4.5%, respectively. The highest decreases were in Alberta (-19.1%), British Columbia (-11.9%) and Saskatchewan (-11.2%), while there were more modest decreases in New Brunswick (-3.4%), the Northwest Territories (-4.6%), Nova Scotia (-5.2%) and Manitoba (-6.6%).

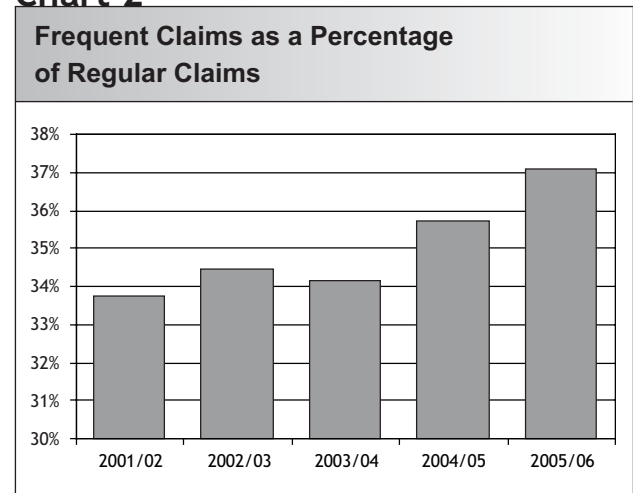
In 2005/06, the number of new regular claims decreased for both the goods- and the services-producing sectors. Within the goods sector, the oil and gas extraction industry experienced the largest decrease (-11.3%), while manufacturing and construction had minimal decreases (of -0.9% and -0.8%, respectively). Service industries that experienced large decreases were real estate and rental leasing (-15.7%), as well as professional, scientific and technical services (-8.2%). The only service industry to experience an increase of over 1% in the number of new regular claims was educational services (+4.1%).

Both women and men experienced a similar decrease in the number of new regular claims, of 3.0% and 3.3%, respectively, in 2005/06.

The average number of insurable hours worked by individuals who accessed regular benefits increased slightly (+0.1%) in 2005/06. This rise corresponds to the increase in the total number of hours worked in Canada (+1.5%).

The proportion of claimants accessing regular benefits who were frequent claimants increased slightly during the reporting period, from 35.7% to 37.1% (Chart 2). Frequent claims are largely associated with seasonal work and the

Chart 2



volume of frequent claims tends to be less influenced by fluctuations in economic cycles than that of other claims. Evidence in this report supports this notion, as the number of frequent claims in 2005/06 changed little from the previous year (+0.5%), while first-time and occasional claims decreased by 5.2% and 5.1%, respectively.

There is considerable variation in seasonal patterns of claims across the country. As indicated in Table 3, a greater proportion of EI regular beneficiaries file EI claims with a seasonal pattern in provinces where seasonal industries play a more important role in the economy. Claims for seasonal workers varied from a low of 11.8% in Nunavut to a high of 54.6% in Prince Edward Island.

Table 3

Seasonal Claims as a Percentage of All Regular Claims, by Province (2005/06)	
Province or Territory	Seasonal Claims as a %
Prince Edward Island	54.6
Newfoundland and Labrador	53.1
New Brunswick	49.5
Nova Scotia	40.8
Quebec	33.8
Saskatchewan	30.5
Yukon	28.4
Manitoba	28.0
British Columbia	22.8
Northwest Territories	21.9
Ontario	20.1
Alberta	17.3
Nunavut	11.8
Canada	30.4%

2. Work Sharing

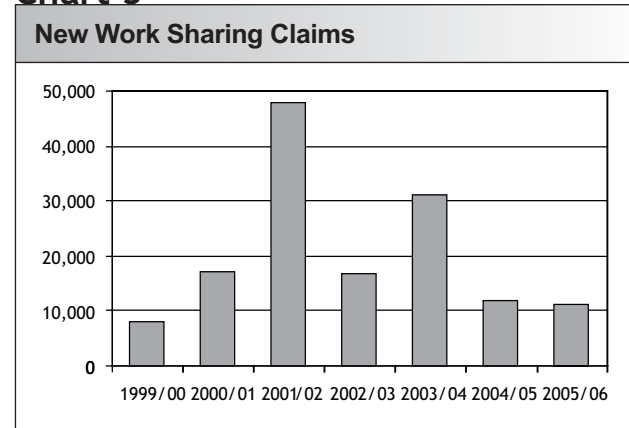
The Work Sharing provision is designed to help employers and workers avert temporary layoffs. The measure provides income support to workers eligible for EI benefits who are willing to work a temporarily reduced work week when there is a reduction in the normal level of business activity that is beyond the control of the employer.⁹ Work Sharing agreements must be approved by both employee

and employer representatives and by the EI Commission. They can range in duration from 6 to 26 weeks, with the possibility for extension up to a maximum of 38 weeks.

Work Sharing agreements benefit employers by allowing them to stabilize their work force, retain skilled employees, and avoid the costly process of recruiting and training new employees when business returns to normal levels. Employees benefit by retaining their jobs and receiving EI income benefits for the days without work. If a worker is laid off following Work Sharing, his or her entitlement to EI regular benefits is unaffected by the receipt of Work Sharing benefits.

EI administrative data show that the use of Work Sharing decreased slightly in 2005/06, reflecting generally positive labour market conditions. There were 11,063 new Work Sharing claims in 2005/06, a decrease of 7.3% from the previous reporting period (Chart 3).¹⁰ Total Work Sharing benefits paid decreased by 3.6% to \$10.4 million in 2005/06.

Chart 3



In 2005/06, the average Work Sharing claim lasted 15.8 weeks, unchanged from 2004/05, and paid an average weekly benefit of \$60, comparable to \$57 in the previous reporting period. Average work reduction was about 28%, or 1.4 work days per week for a full-time employee.

The Work Sharing program was used most in the manufacturing industry (77.0%), which has been the dominant industry for Work Sharing agreements in recent years. The vast majority of Work Sharing claims were made in Ontario (42.9%) and Quebec (41.9%), though all regions participated. In 2005/06, the Work Sharing program averted an estimated 3,094 layoffs.¹¹

⁹ Information on the Work Sharing program is available on the Service Canada web site at http://www1.servicecanada.gc.ca/en/epb/sid/cia/grants/ws/desc_ws.shtml.

¹⁰ Work Sharing data for 2005/06 are provisional and may be revised in future reports.

¹¹ Some layoffs averted by Work Sharing may occur after the end of the agreement.

3. Fishing Benefits

Fishing benefits are regulated either directly or indirectly by three federal organizations: Fisheries and Oceans Canada (DFO), Human Resources and Social Development Canada (HRSDC), and the Canada Revenue Agency (CRA). DFO grants fishing licences, CRA determines eligibility as a self-employed fisher, and HRSDC administers the qualification for and payment of EI fishing benefits, which are based on insured earnings rather than on insured hours.

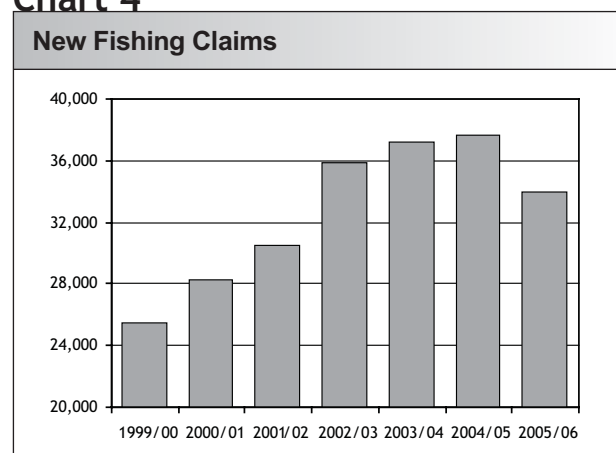
3.1 Claims

Although fishing claims have represented only 2.0% of all EI claims for quite some time, they are an integral part of local economies in communities that depend on fishing. The Canadian fishing industry is generally located in communities where there are limited other employment opportunities.

In 2005/06, fishing claims decreased by 9.8% from 2004/05 to 33,950 (Chart 4). This represents the first decrease since 1999/00. Between 1997 and 2000, the benefit repayment regulations were more stringent, so benefits received by high earners could be clawed back up to 100%. Over this time, steady decreases in fishing claims were noted in many provinces with high-yield fishing stocks. The regulation was relaxed in 2000, with an increase in the income threshold at which claimants repay benefits and the elimination of the intensity rule.¹² Fishing claims had been on the rise since 2001, subsequent to this regulation change. The decrease in 2005/06 was almost entirely in Newfoundland and Labrador and in British Columbia, where claims fell by 17.7% and 15.0%, respectively.

In 2005, primary fisheries production generated \$2.1 billion in revenues for fishers, down nearly 8.7% from the previous year. As mentioned in the previous report, the value of commercial landings may have reached a plateau in 2004. In fact, total landings for 2005 were much lower than in the previous year at 1.13 million metric tonnes, 83,000 tonnes fewer than in 2004. Several factors explain this decrease, including a lower supply of certain species resulting in lower quotas, and rising competitiveness in the global market resulting in lower profit margins in the context of rising fuel costs.

Chart 4



Nationally, fishing claims decreased at almost equal rates for both men and women (-10.0% and -8.9% respectively). Frequent claimants made 89.9% of all fishing claims in 2005/06, compared to 88.4% in 2004/05, suggesting the decrease was concentrated among newer fishers.

In 2005/06, the total number of fishers claiming benefits decreased by 7.2% over the previous reporting period. Of fishers who claimed benefits, 32.5% (or 8,320) established two claims,¹³ compared to 36.3% of fishers in 2004/05. There were 7,260 men who had multiple claims in 2005/06 (34.8% of male fishers), while 1,060 women (22.2% of women fishers) had multiple claims. Nationally, Newfoundland and Labrador accounted for 44.0% of the total number of multiple claimants, a sharp decrease from 55.4% in 2004/05. Within Newfoundland and Labrador, 33.5% of fishers claiming benefits made more than one claim in 2005/06, well below the 45.5% observed in the previous reporting period.

3.2 Benefits

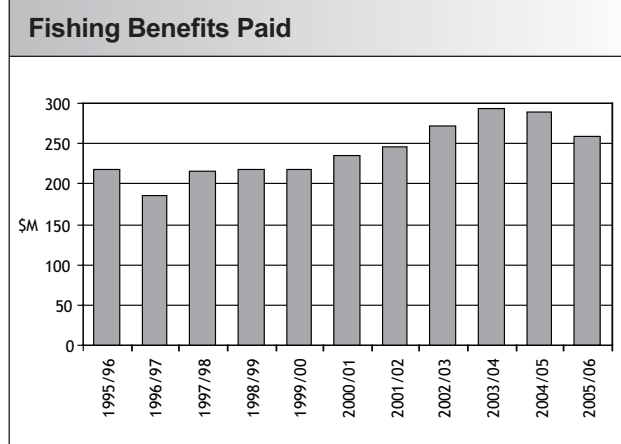
Fishers received \$259.1 million in EI benefits in 2005/06, a 10.3% reduction from 2004/05 (Chart 5). Fishing benefits decreased in every major fish-producing province.

Newfoundland and Labrador had the highest reduction in fishing benefits (-16.6%), followed by British Columbia (-13.2%).

¹² The intensity rule counted the number of weeks of EI received in the previous five years and increased the percentage at which one paid back benefits for every 20 weeks of previous use.

¹³ Under the EI program, self-employed fishing is separated into two distinct qualifying periods: summer and winter fishing. Fishers who are active in both seasons can establish two claims for EI fishing benefits in a single year. See Chapter 5 for further details.

Chart 5



In 2005/06, average weekly benefits for fishing claims decreased slightly, from \$383 in the previous reporting period to \$377.

Average duration on claim for fishing benefits was 20.1 weeks, slightly shorter than the 20.5 weeks in the previous year. Provincially, British Columbia's fishers had the longest duration, at 22.1 weeks, while claimants in all other major fish-producing provinces had averages between 19 and 20 weeks. Among multiple claimants, average duration was 18.0 weeks for the first claim and 17.2 for the second (1.3 fewer weeks than in the previous year), for a total of 35.2 weeks on claim, on average, for multiple claimants. The drop in duration among multiple claimants accounted in large part for the overall decline in fishing claim duration.

III. Supporting Working Canadians and Their Families

1. Overview

The EI program includes four types of special benefits to support workers when they experience a potential interruption in earnings due to illness, childbirth, parenting, or the provision of care or support to a gravely ill family member. Sickness benefits are payable to claimants who are unable to work due to short-term illness, injury or quarantine, to a maximum of 15 weeks. For biological mothers who need to recuperate after childbirth and care for their newborn infants, the EI program provides maternity benefits to a maximum of 15 weeks. To help biological and adoptive parents balance work and family responsibilities by

staying at home with their newly born or adopted child, parental benefits are payable to a maximum of 35 weeks. Six weeks of EI compassionate care benefits are available to workers who need to take a temporary leave from work to provide care or support to a family member who is gravely ill with a significant risk of death. In June 2006, a regulatory change was made to ensure siblings, grandparents, grandchildren, in-laws, aunts, uncles, nieces, nephews, foster parents, wards or any individuals considered by the gravely ill person or his or her representative to be family members are eligible for the compassionate care benefit.

In 2005/06, there were 521,120 new special benefits claims, an increase of 1.4% from 2004/05. Similar to previous reporting periods, women accounted for more than two thirds (68.8%) of all special benefits claims. However, men's share has been consistently increasing since the enhancement of parental benefits in 2000. Men's share of new special benefit claims was 31.2% in 2005/06, up from 29.4% in 2002/03.

Total special benefits payments increased by \$151.7 million (+3.9%) to \$4.0 billion in 2005/06. Annual growth of 3.9% in special benefits payments for 2005/06 follows increases of 3.7% in 2004/05 and 8.2% in 2003/04. The special benefits' share of total income benefits was 31.5% in 2005/06, up from 30.2% in 2004/05 and 28.1% in 2003/04. Average weekly benefits for all special benefits claims increased by 2.3% to \$311. Quebec introduced its own parental insurance plan on January 1, 2006, which replaced EI maternity and parental benefits in that province. As Quebec's plan was introduced partway through fiscal 2005/06, comparisons of claim volume to volumes in previous reporting periods are difficult. Table 4 separates the fiscal year into the nine months prior to the implementation of the Quebec plan and the three months following its implementation, to highlight changes in claim volumes for comparable periods.

2. Maternity Benefits

Overall in 2005/06, there were 191,690 maternity claims in Canada. As shown in Table 4, between April 1 and December 31, 2005, prior to the implementation of the Quebec Parental Insurance Plan (QPIP), the number of claims in provinces and territories other than Quebec increased by 3.6% over the same period the previous year. There was a decrease in maternity claims in Quebec (-5.3%) over this period.

Table 4

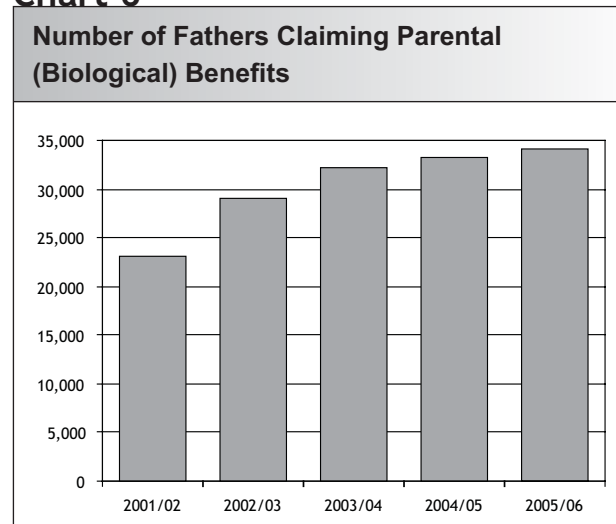
New Maternity and Parental Claims		
	Maternity Claims	Parental Claims
April 1–December 31		
2004 – Quebec	36,250	46,160
2005 – Quebec	34,330 (-5.3%)	46,890 (+1.6%)
2004 – Other provinces and territories	115,910	130,280
2005 – Other provinces and territories	120,170 (+3.6%)	136,100 (+4.5%)
January 1–March 31		
2005 – Quebec	11,210	13,550
2006 – Quebec ¹⁴	–	–
2005 – Other provinces and territories	35,990	37,830
2006 – Other provinces and territories	37,190 (+3.3%)	39,250 (+3.8%)

For the period from January 1 to March 31, 2006, after the implementation of QPIP, claims in provinces and territories other than Quebec increased by 3.3% over the previous year. In Quebec, of course, there were no maternity claims related to births that occurred on or after January 1, 2006.

3. Parental Benefits

In 2005/06, there were 222,240 parental claims in Canada. Between April 1 and December 31, 2005, prior to the implementation of the QPIP, new parental claims in Quebec increased (+1.6%) in comparison to the same period in the previous year. The increase in the number of parental claims in other provinces and territories was greater during that nine-month period (+4.5%). From January 1 to March 31, 2006, claims in provinces and territories other than Quebec increased by 3.8% over the previous year.

Overall, for all of fiscal 2005/06, the number of biological parental claims made by men increased by 2.6% in 2005/06 to 34,060 (Chart 6). Following strong annual increases since 1997/98, the number of biological parental claims by women began to decrease in 2004/05 and dropped to 185,350 in 2005/06 (-3.2%). The reduction in

Chart 6

biological parental claims by women is consistent with the decrease in maternity claims. Parental benefit payments increased by 4.1% to \$2.2 billion in 2005/06. The average weekly benefit for biological parents was \$331, an increase of 2.1%, while the average weekly benefit for adoptive parents was \$374, a slight decrease (-0.5%) from the previous reporting period.

EI parental benefits enhancements, effective December 31, 2000, included several changes designed to improve benefit flexibility and promote increased take-up among men. The 35-week entitlement can be used by one parent or shared by both. Increasingly, couples are deciding to share parental benefits. The proportion of biological parental claims made by men increased slightly to 15.5% of total claims in 2005/06. The majority of new parental claims (84.5%) continue to be established by women.

In 2005/06, 11.6% (21,540 out of 185,350) of women who claimed biological parental benefits shared them with their partner, a slight decrease from 12.6% in 2004/05. In comparison, 70.4% (23,990 out of 34,060) of men shared parental benefits with their spouse, similar to the previous reporting period. In 10,070 cases, the man was the only recipient of parental benefits in the family. Just over one in five adoptive mothers receiving parental benefits shared them with their partner (440 out of 2,160), similar to the previous reporting period. In addition, 59.7% of men (400 out of 670) shared adoptive parental benefits with their spouse, down slightly from 62.3% in the previous reporting period.

¹⁴ For 2005/06, all new maternity and parental claims in Quebec are allocated to the April 1 to December 31, 2005 period.

In 2004/05,¹⁵ the average duration of biological parental benefits taken by parents who shared the benefits increased slightly to 32.9 weeks or 94.0% of entitlement. The average duration of parental benefits for parents sharing the benefits was 9.9 weeks for men and 23.0 weeks for women. The average duration of parental benefits in families where only one parent used the benefits was shorter than the combined duration for parents sharing benefits, at 31.9 weeks or 91.1% of entitlement. When combined with maternity benefits and the waiting period, biological parents used about 95.2% of the full year available to them when they shared benefits, and 93.3% when they did not.

Adoptive parents receiving parental benefits who shared these benefits were on claim for an average of 28.7 weeks or 81.9% of their 35-week entitlement, a decrease of 10.2 percentage points from 2003/04. The average duration was 10.2 weeks for men and 18.5 weeks for women. Adoptive parents not sharing parental benefits were on claim for an average of 32.4 weeks or 92.5% of entitlement, an increase of 1.5 percentage points from the previous reporting period.

4. Sickness Benefits

The number of sickness claims increased by 5.0% to 309,030 in 2005/06. The average weekly benefit for sickness claims was \$293, an increase of 2.9% over 2004/05. The average number of weeks for which sickness benefits were paid remained relatively stable (+0.8%) at 9.5 weeks or 63.5% of entitlement. As a result, total payments for sickness benefits increased by 5.7% to \$859.2 million.

During the reporting period, sickness claims increased for both men (+5.7%) and women (+4.5%) in comparison to the previous reporting period. Women's share of total sickness claims remained stable in 2005/06 at 58.8%. Sickness claims decreased by 1.4% for youths aged 15 to 24, and increased by 3.0% for those between the ages of 25 and 44, by 8.2% for those between the ages of 45 and 54, and by 10.0% for workers aged 55 and over.

5. Compassionate Care Benefits

Effective January 4, 2004, six weeks of EI compassionate care benefits were introduced.

In 2005/06, there were 5,180 new claims for compassionate care benefits, an increase of 8.3% from the previous reporting period. Average weekly benefits increased by 1.9% to \$320. In 2005/06, Ontario accounted for 44.1% of all claimants, followed by Quebec and British Columbia (16.8% and 13.9% of compassionate care claims, respectively). Over half (57.3% or 2,970) of compassionate care claimants used all six of their available weeks of benefits, little changed from the previous reporting period, while the average number of weeks paid (4.7 or 78.3% of the maximum entitlement) was consistent with the previous reporting period. Total payments for compassionate care benefits increased by 12.8% to \$7.8 million.

EI claimants can receive two or more types of benefits under one claim. Among the 2,970 claimants who used all six weeks of compassionate care benefits, about 500 subsequently received sickness benefits, while 400 subsequently received regular benefits. Like parental benefits, compassionate care benefits can be shared among eligible family members. However, the vast majority of compassionate care claimants (97.9%) did not share their benefits in 2005/06, consistent with a benefit of limited duration.

¹⁵ In order to measure only completed claims, data and analysis on claim duration are for 2004/05.

Chapter 3 Employment Benefits and Support Measures and the National Employment Service

Activities funded under Part II of the Employment Insurance Act include services provided by the National Employment Service (NES) and through Employment Benefits and Support Measures (EBSMs). The objective of these activities is to help enhance the skills Canadians need to prepare for, obtain and maintain employment. EBSMs are delivered through Labour Market Development Agreements (LMDAs) with all of the provinces and territories, in the form of either a co-managed or transfer-type agreement. See annexes 3.2 and 3.3 for definitions of EBSMs, LMDAs, eligibility and other terms used in this chapter.

The first section of this chapter provides a national overview of expenditures, participants, benefits and support measures usage. A discussion of pan-Canadian activities and support measures not included in LMDAs follows in the second section. The final section summarizes provincial and territorial EBSM activity within each jurisdiction's labour market context.

The data used to compile this chapter were provided by Service Canada and by those provinces and territories with transfer LMDAs. As a result, the data used to analyze EBSM interventions are processed through several systems using a variety of sources, and data are verified to ensure accurate monitoring and assessment of programs. Factual reporting over time requires reliable and consistent information, and continual effort on the part of officials to improve data quality and collection. These improvements may affect year-to-year comparability of data, and these instances are noted in the chapter and annexes, where applicable. Operational improvements may also affect data comparisons and are also noted, where applicable.

I. National Overview

HRSDC addressed national policy priorities for employment programming during the reporting period by doing the following:

- assisting local Service Canada Centres in co-managed regions¹ to improve program delivery of EBSM interventions that will increase the skills and knowledge of participants, and support their integration or reintegration into the labour force;
- identifying best practices and testing new approaches to programming and services, through the Research and Innovation (R&I) measure and the Pan-Canadian Innovation Initiative (PCII); and
- renewing and improving Aboriginal employment programming to support increased labour market participation.

¹ See annex 3.1.

Table 1

Key Facts		
Canadian Labour Market		
15 Years +	2005/06	Change, 2004/05–2005/06
Employment	16,243,000	239,500 ↑
Unemployment Rate	6.6%	0.5% ↓
Client Type and Age ² Distribution		
Active	Former	Non-Insured
57.6%	15.2%	27.2%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
19.3%	74.1%	6.6%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services ³
New Interventions	1.3% ↑	2.9% ↓
Expenditures	3.9% ↓	0.5% ↑

1. Expenditures

In 2005/06, the \$2.0 billion national total for EBSM expenditures comprised investments in Employment Benefits, Employment Services, pan-Canadian activities, and expenditures on support measures not delivered directly to clients through Labour Market Partnerships (LMPs) and R&I (see Chart 1). During that period, 627,703⁴ people accessed EBSMs. These individuals participated in 958,846⁵ new interventions, with each person taking part in 1.5 new interventions, on average. Compared to the previous reporting period, total expenditures for all EBSMs decreased by 2.5%, primarily due to reduced Employment Benefits expenditures that were offset only partially by increases in pan-Canadian and Employment Services expenditures. Please refer to annexes 3.11 to 3.13 for expenditure details on all EBSMs.⁶

² Unknown age data not included (see annex 3.4).

³ Includes support measures and Supplément de retour au travail in Quebec. See Quebec section for more details.

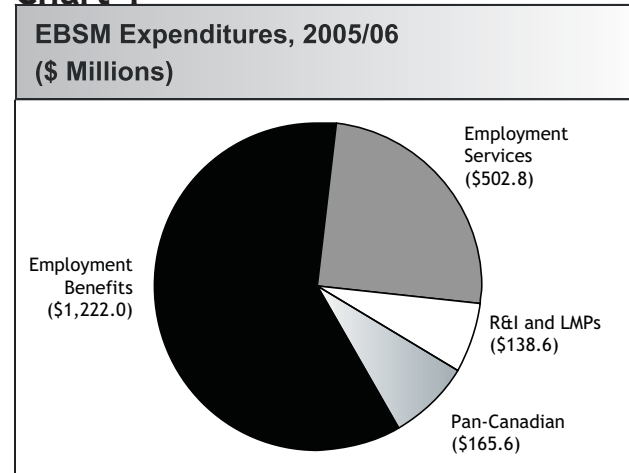
⁴ Client data exclude self-serve options, such as Canada's Job Bank and labour market information.

⁵ New interventions are activities started between April 1, 2005, and March 31, 2006, including pan-Canadian activities.

⁶ All subsequent intervention and expenditure comparisons are to the 2004/05 fiscal period, unless otherwise noted.

⁷ Of total EBSM expenditures, 2.9% are pan-Canadian funds not attributed to a specific province.

Chart 1



Compared to the previous reporting period, overall pan-Canadian expenditures increased by 3.9% to \$165.6 million. Combined expenditures for R&I and LMP measures decreased by 2.8% to \$138.6 million.

The regional distribution⁷ of EBSM expenditures across Canada has shifted slightly, with Quebec and Ontario decreasing to a 54.4% combined share of expenditures, a 1.8 percentage point drop compared to the previous year. A corresponding gain was seen in the share of expenditures in provinces and territories west of Ontario (up to 28.4%, from 27.3%), and in the Atlantic Provinces (up to 17.2%, from 16.5%).

EBSM programming delivered directly to participants has two components: Employment Benefits and Employment Services.

Employment Benefits generally involve long-term interventions lasting anywhere from several weeks to over a year. The interventions include Skills Development (SD), Targeted Wage Subsidies (TWS), Self-Employment Assistance (SE) and Job Creation Partnerships (JCP). They are available to eligible participants—that is, active and former Employment Insurance (EI) claimants. Employment Benefits expenditures decreased by 3.9% to \$1.2 billion, which accounted for most of the overall EBSM expenditure decrease in 2005/06.

Employment Services are available to any unemployed person in Canada who needs assistance to enter or return to the work force, including active or former EI claimants. Expenditures for all Employment Services increased by 0.5% to \$502.8 million in 2005/06, compared to 2004/05.

Returns to work following an intervention and the resulting unpaid EI Part I benefits are key performance indicators for EBSMs. Unpaid benefits for SD-Apprentices (\$308.4 million) and Group Services (\$83.4 million) are calculated according to a specific methodology and reported separately; for all other interventions combined, unpaid benefits were \$415.7 million, a slight increase of 0.1% compared to the previous reporting period (annex 3.14). Returns to work results for interventions other than SD-Apprentices and Group Services were virtually unchanged from the previous reporting period, at 149,598 (annex 3.15).

2. Client Profile and Participation

A decrease of 1.3% in the number of clients accessing EBSM interventions in 2005/06 is consistent with the decrease in new regular EI claims (-3.1%) noted in Chapter 2 and follows the previous year's first decline in the overall number of individuals using EBSMs since 2000/01.

Three types of clients participate in EBSMs: active, former and non-insured. Active clients are those with an active EI claim; former clients closed an EI claim in the preceding three years, or began a parental or maternity claim in the preceding five years;⁸ and non-insured clients are unemployed persons who are neither active nor former EI clients.

Active claimants typically have more recent labour force attachment than former clients, and they are more likely to choose a quick return to work than to invest time participating in an employment program or service. In 2005/06, 31,493 fewer active claimants accessed EBSM programming, a decrease of 8.0% compared to the previous reporting period.

Former claimants also took advantage of stronger employment conditions, increasing their access to Employment Benefits and Services to facilitate their re-entry into the labour market. These clients are not eligible for EI Part I benefits; however, they may be eligible for income support under Part II, which effectively increases expenditures for the intervention.

In addition, interventions delivered to former claimants are typically more intensive than those delivered to active claimants. In 2005/06, the number of former claimants participating in EBSM interventions rose by 6,609, a gain of 7.4% over the previous reporting period.

Non-insured clients are eligible for Employment Assistance Services (EAS) only. These clients may have been absent from the labour market for an extended period of time or may be new entrants to the Canadian labour market. Compared to the previous reporting period, 16,727 more non-insured clients used these services, an increase of 10.9%, reflecting the increased demand for workers in a growing labour market.

The relative share of EBSM usage among the three types of clients changed significantly in comparison to the previous reporting period. Active claimants represented a 57.6% share, which was a 4.2 percentage point decrease compared to the previous reporting period. The corresponding share increases were 1.2 percentage points for former claimants, and 3.0 percentage points for non-insured individuals.

In support of equity principles, HRSDC collects information on the participation of women, persons with disabilities, Aboriginal people and members of visible minorities. EBSM participation by all four designated groups increased from the previous reporting period. Interventions were delivered to 61,150 members of visible minority groups, an increase of 11.7% over the previous reporting period, while the participation of Aboriginal people increased by 11.2%. Detailed data for designated group participation in each province and territory are found in annexes 3.7 to 3.10. This information is based on voluntary self-identification, and under-reporting may affect accuracy and year-to-year comparisons. However, participation levels provide an important overall indication of designated group participation for each intervention.

The age distribution of clients accessing EBSMs changed very little between 2004/05 and 2005/06. Overall, adults between the ages of 25 and 54 accessed the largest share (74.1%). Clients aged 55 and over maintained their level of participation in EBSMs at 6.6%.

⁸ A detailed definition can be found in article 58 of the *Employment Insurance Act*.

3. Employment Benefits

During 2005/06, Employment Benefits expenditures decreased by 3.9% to \$1.2 billion and accounted for most of the overall EBSM decrease in 2005/06. Clients participated in 171,936 Employment Benefits interventions (SD, TWS, SE and JCP), the overall number of which increased by 1.3% compared to the previous year's interventions.

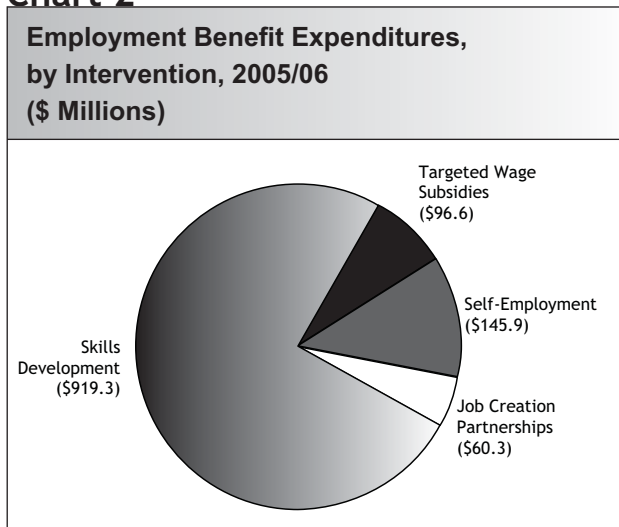
3.1 Skills Development (SD)

SD helps participants obtain employment skills by providing direct financial assistance that enables them to select, arrange and pay for training. SD-Apprentices participants are primarily supported through EI Part I benefits and may receive support for additional classroom-related expenses through the SD Benefit.

SD accounts for the largest proportion of Employment Benefits participants (77.4%) and expenditures (75.2%). These expenditures accounted for \$919.3 million in 2005/06, a decrease of 1.4% compared to the previous reporting period. Of all Employment Benefits, only SD increased in number of interventions, to 133,092 nationally, representing 3.4% more than the previous year.

The share of SD interventions accessed by active claimants decreased slightly to 85.7%, with a corresponding increase in the share of former claimant interventions, compared to the previous reporting period. The overall percentage of SD interventions accessed by visible minority group members was 6.7%, an increase of 0.4 percentage points compared to 2004/05.

Chart 2



SD-Apprentices involves an on-the-job component, where many participants later return to work for the same employer. In total, 46,914 classroom interventions were delivered, representing a 6.4% increase over the previous reporting period. In this reporting period, 35,524 apprentices became employed before the end of their EI Part II benefits, an 8.4% increase in return-to-work results over the previous year. The SD-Apprentices client group saw a 74.5% increase in the number of self-identified Aboriginal participants, building on a 45.1% increase in the previous period.

3.2 Targeted Wage Subsidies (TWS)

TWS provides employers with financial assistance for wages of participants whom they would not normally hire without a subsidy. This wage subsidy fosters access to employment, thus helping individuals obtain work experience and on-the-job training. In 2005/06, HRSDC delivered 20,018 interventions, representing a decrease of 4.7% in the number of interventions compared to the previous reporting period. This decrease reduced the TWS share of all Employment Benefits interventions by less than a percentage point, to 11.6%.

At \$96.6 million, TWS expenditures decreased by 8.2%. In 2005/06, TWS expenditures represented a 7.9% share of Employment Benefits expenditures, compared to an 8.3% share in the previous reporting period.

3.3 Self-Employment Assistance (SE)

SE participants receive financial assistance and business planning advice during the critical initial stages of building their own businesses.

SE interventions assisted 11,944 participants, representing 6.9% of Employment Benefits participants and 11.9% of expenditures at \$145.9 million. Compared to the previous year, 0.6% fewer clients participated in SE and the share of Employment Benefits expenditures decreased marginally.

3.4 Job Creation Partnerships (JCPs)

JCPs are delivered through community-developed projects, providing participants with the opportunity to gain work experience while benefiting the community and the local economy.

In 2005/06, 6,882 participants accessed JCP, representing 4.0% of Employment Benefits participants and 4.9% of all Employment Benefits expenditures at

\$60.3 million. JCP interventions decreased the most among all EBSMs (-13.7%), but the JCP share of Employment Benefits expenditures remained stable.

4. Support Measures and Services

Support measures are key elements of the NES and comprise three components: Employment Services, which assist individual participants; and two “other” support measures—LMPs and R&I—which support partnerships and research in the labour market.

Overall, the number of Employment Services interventions in 2005/06 decreased by 2.9% to 768,253. Changes in documentation procedures for Individual Counselling interventions during the reference period caused significant shifts in administrative data. As a result, large differences in the year-to-year data comparisons reflect documentation changes but not the overall level of Employment Services delivery.

4.1 Employment Assistance Services (EAS)

EAS interventions are focused on services that support job-entry activities of participants. They are often combined with other EBSM programming for eligible clients. EAS activities include establishing return-to-work action plans, which eligible clients and case managers develop together as the first step in accessing Employment Benefits or other activities.

Overall, 432,317 participants accessed EAS interventions. This figure includes 197,432 EAS interventions for non-insured clients, which is a decrease of 1.1% compared to the previous reporting period.

Employment Group Services focus on short-term job search and re-entry activities for EI claimants only, most often at the time they establish a new claim. Group Services interventions declined significantly in 2005/06 due to a temporary reduction in activity in co-managed regions, allowing Service Canada to evaluate and refocus delivery of group information sessions for EI claimants. Results for this intervention are tracked for active claimants only. The number of interventions dropped by 37.7% to 57,557 following this operational change. This drop resulted in a 46.8% decrease in both returns to work and unpaid benefits attributed to Group Services, bringing unpaid benefits down to \$83.4 million and returns to work to 12,635 in 2005/06.

Individual Counselling addresses more complex issues in the case management process and may involve a series of in-depth sessions. An increase of 54.5%, compared to the previous reporting period, was chiefly due to a change in the way Employment Services delivery was documented. In 2005/06, some interventions formerly counted as EAS were re-profiled as Individual Counselling in co-managed regions. This resulted in a shift in intervention counts between EAS (a decrease of 82,231) and Individual Counselling (an increase of 95,367). In total, there were 270,420 Individual Counselling interventions.

Evaluation findings showed that Individual Counselling reduced unemployment duration in the short term. Counselling had the largest impact during the week in which the intervention took place but continued to have a positive effect up to 10 weeks after the counselling session.⁹

4.2 Labour Market Partnerships (LMPs) and Research and Innovation (R&I)

LMPs and R&I measures support the NES and indirectly help unemployed individuals access the labour market. LMPs are used to encourage, support and facilitate partnerships that enable human resources planning and labour market adjustments. They provide funding to improve the capacity of employers, employee-employer associations, and communities to deal with human resources requirements and implement labour force adjustments.

For example, North Bay, Ontario, carried out a region-wide human resources gap analysis in 2005/06. The study examined trends in the local economy and compared characteristics of the local labour force to the demand for labour in four industrial sectors: health care, forestry, mining, and information and communications technology. This LMP project enabled the community to build on local labour market assets, improving the match between labour and industry, thereby building sustainability into the local economy.

R&I projects enable organizations to develop better ways of helping clients obtain and keep employment, and may involve activities related to labour market studies. R&I was used in only four provinces in 2005/06, and expenditures increased by \$0.7 million compared to the previous reporting period.

⁹ *Summative Evaluation of HRSDC Labour Market Information Products and Services*, Final Report (Ottawa: HRSDC, January 2005).

4.3 Self-Serve Options

Employment Services include two self-serve options: labour market information and Job Bank. As central functions of the NES, these activities support insured, non-insured and self-employed individuals. Because access to these services does not require individuals to register, data on usage and results are challenging to collect or attribute to specific interventions (see annex 3.2 for descriptions).

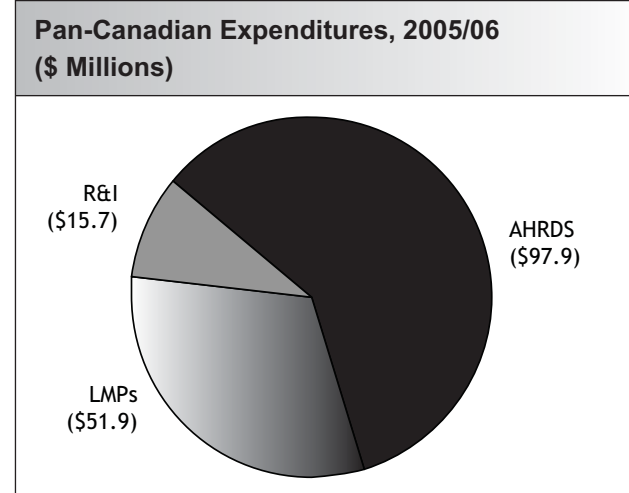
Job Bank is the largest web-based network of job postings available to Canadians. Job Bank includes a suite of career and job search tools (e.g. Job Match, Job Alert, Résumé Builder and Career Navigator). Job Match allows users to match their job skills against current job postings using the same occupational checklists that employers use, and Job Alert allows users to receive daily e-mail alerts of new job postings. In 2005/06, there were 63 million user sessions, and the total number of advertised job orders increased by 28.7% to 948,198. Job Bank had 304,301 approved employer accounts and 168,081 job seeker accounts, and processed 213,255 successful job matches during the reporting period.

II. Pan-Canadian Activities

Pan-Canadian programming addresses significant challenges in the Canadian labour market, reduces risks to the EI Account, and enhances the Canadian economic union by contributing to a pool of skilled labour and a flexible, efficient labour market. It comprises activities and interventions that respond to interprovincial or national labour market issues. It promotes equality of opportunity for all Canadians, with a focus on helping under-represented groups to reach their full potential in the Canadian labour market.

Pan-Canadian activities are not included in Labour Market Development Agreements (LMDAs). These activities include employment programming provided under Aboriginal Human Resources Development Agreements (AHRDAs), pan-Canadian R&I and pan-Canadian LMPs (e.g. the Sector Council Program and Youth Awareness). Total expenditures for these activities were \$165.6 million in 2005/06, representing an 8.2% share of all EBSM expenditures and an increase of 0.5 percentage points compared to the previous reporting period.

Chart 3



1. Aboriginal Human Resources Development Strategy (AHRDS)

The AHRDS helps Aboriginal communities and organizations develop and implement their own employment and human resources programs. The AHRDS was initiated in 1999, extended for one year in 2004/05 and subsequently renewed until 2008/09. It has a \$1.6 billion, five-year budget, of which approximately \$90 million per year is funded through the EI Account. The total budget is for a wide range of employment, health, social and related services.

In 2005/06, HRSDC had 80 agreements with Aboriginal organizations that secured \$97.9 million¹⁰ of pan-Canadian funding to help them design and deliver employment and human resources programs in their communities. Emphasis was placed on increasing the responsiveness of agreement holders to private sector skills needs, and improving literacy and essential skills assessment and programming for Aboriginal people.

2. Labour Market Partnerships (LMPs)

The pan-Canadian LMP support measure is delivered primarily through two national sponsors: the national sector councils and Skills Canada. Sector councils delivered \$40.9 million in LMP projects in 2005/06, and Skills Canada was the main provider of Youth Awareness projects, worth approximately \$11 million.

Sector council LMP projects foster systemic change in the labour market by supporting industry-responsive curriculum and skills development, promoting mobility by making standards and certification available, and

¹⁰ In 2005/06, \$7.9 million in reprofiled EI Part II pan-Canadian funds was added to the funding envelope.

supporting labour market forecasting and analysis. The projects ultimately enable workers, employers and training providers to better match skills development and supply to employment demand, and to address critical skills shortages.

For example, in 2005/06 the Construction Sector Council examined its labour market information program's impact on, and benefits to, construction companies and the buyers of construction services in Canada. This study explored how the program affects the capacity of organizations to maximize their human resources potential, adjust project schedules and make critical business decisions.

The Government of Canada supports the core operations of sector councils through funding other than the EI Account. These councils are led by partnerships representing employers, labour, educators and other stakeholders within an industrial sector, and span a variety of economic sectors across Canada. With the creation of the Canadian Printing Industries Sector Council and the HR Council for the Voluntary/Non-Profit Sector in 2005/06, the network of councils now represents 32 industrial sectors.

The Youth Awareness initiative uses the LMP support measure to fund projects designed to address particular labour market issues for people aged 15 to 30. Youth Awareness projects are most often events organized and implemented to mobilize employers and communities. The objective of Youth Awareness projects is to connect youth to employment opportunities and market youth as a viable solution to human resources requirements.

Skills Canada is a national not-for-profit organization that works in partnership with employers, educators, labour groups and governments to reposition trade and technical careers as a first-choice career option for young Canadians. It is the main Youth Awareness sponsor. The organization's annual Canadian Skills Competitions raise awareness of trades and technology careers and enable youths from across Canada who are studying a skilled trade to showcase their talent, competence and expertise. Other locally sponsored LMP projects address specific priorities, such as the Rendez-vous de l'emploi in Gaspé, Quebec, which was designed to reduce the out-migration of rural youth by linking employers and youth through awareness events sponsored by community organizations.

3. Research and Innovation (R&I)

R&I funds support organizations carrying out research and demonstration projects that test new ways to

provide employment services and help improve EBSM program design. For example, the Community Employment Innovation Project, a demonstration project in Cape Breton, is designed to measure the effects of providing community-based employment opportunities to the long-term unemployed. Eligible individuals can exchange their EI Part I entitlements (or income assistance) for the opportunity to work 35 hours per week for up to three years on projects, earning a \$300 per week community wage. This project examines an innovative partnership approach to labour market integration that could shape the design and delivery of future interventions.

HRSDC has been working with all of the provinces and territories to develop joint research projects under the PCII. Under this initiative, new pilot projects and experiments support ongoing program development work in partnership with the provinces and territories, and examine new approaches to labour market programming for the future.

III. Provincial and Territorial EBSM Activity

EBSMs are delivered through individual agreements with the provinces and territories, in part to enable responsiveness to the differing labour markets across Canada. An in-depth understanding of EI Part II activity is made possible by presenting information by individual province and territory. At this level, year-to-year variations and trends are more closely linked to provincial and territorial priorities, responses to local labour market conditions, and differences in program delivery.

The presentation of data and analysis is consistent with the suite of EBSM activities and their definitions, although in transfer jurisdictions they are delivered under different names through provincial or territorial programming. Inter-jurisdictional comparisons are not advised. It should be noted that EBSM administrative data presented in the provincial summary pages do not include pan-Canadian activity.

Labour market data for the provinces come from HRSDC administrative data and Statistics Canada's Labour Force Survey (fiscal year averages, seasonally adjusted). For territories, the data source is the Territorial Bureau of Statistics. Detailed information on client type, interventions and expenditures, by province and territory, is provided in annexes 3.5, 3.6 and 3.12.

1. Newfoundland and Labrador

Newfoundland and Labrador experienced a net employment loss during 2005/06. While the construction sector experienced moderate employment gains, the province suffered layoffs in the fisheries and pulp and paper industries, with plant closures having significant impacts on communities and the work force. The service sector also experienced losses, notably in public administration and in transportation and warehousing. The unemployment rate averaged 15.4% during the fiscal period, down just slightly from 2004/05, and continued to be the highest provincial rate in Canada. Labour force participation also declined during the period, reflecting a perception of limited employment prospects in the province.

In 2005/06, 20,178 individuals accessed EBSMs, participating in 38,983 new interventions. This represents an increase of 9.8% in the number of clients from the previous year, and an increase of 24.4% in new interventions

Table 2

Newfoundland and Labrador		
Key Facts		
Co-Managed Agreement		
Labour Market		
15 Years +	2005/06	Change, 2004/05–2005/06
Employment	213,400	900 ↓
Unemployment Rate	15.4%	0.1% ↓
Client Type and Age Distribution		
Active	Former	Non-Insured
69.2%	19.2%	11.6%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
24.6%	69.0%	6.4%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	18.3% ↑	27.7% ↑
Expenditures	2.1% ↑	11.1% ↑

delivered. The relative share of Employment Services interventions increased by 1.7 percentage points, with a corresponding decrease in the share of Employment Benefits interventions. EBSM expenditures totalled \$124.4 million, which is an increase of 3.0% over the previous year.

1.1 Employment Benefits

There were 13,218 Employment Benefits interventions delivered in 2005/06, representing 33.9% of all EBSMs delivered in the province. This is an increase of 18.3% from the previous year, when 11,170 interventions were delivered. Expenditures for Employment Benefits increased by 2.1% to \$111.4 million, up from \$109.0 million reported last year. SD (Regular and Apprentices) continues to account for the majority (70.5%) of Employment Benefits interventions. An increase of 33.5% in SD interventions during the reporting period occurred primarily as a result of additional short-term fisheries-related courses.

1.2 Employment Services

Overall, 25,765 Employment Services interventions were delivered, representing 66.1% of all EBSMs. This is a 27.7% increase from the previous year, when 20,173 Employment Services interventions were delivered. The use of third-party service delivery increased throughout Newfoundland and Labrador, adding capacity for the delivery of counselling and case management services. Improved data systems and more rigorous recording of clients served also increased intervention counts. Expenditures for Employment Services increased to \$13.0 million, up from \$11.7 million in the previous reporting period, due in part to the provision of more comprehensive assistance to marginalized clients.

2. Prince Edward Island

Overall employment levels improved on P.E.I. during 2005/06. There were employment gains in construction and manufacturing, while marginal job losses occurred in public administration and in wholesale and retail trade. The unemployment rate rose slightly on P.E.I. in 2005/06, due to labour force expansion throughout the year. The region experienced a significant out-migration of youth and skilled workers, particularly in construction trades occupations, increasing the existing skills shortages.

Prince Edward Island's priorities for employment programming included targeting occupational shortages, encouraging careers in the trades, facilitating adult literacy and lifelong learning, and fostering greater social inclusion.

Table 3

Prince Edward Island Key Facts		
Co-Managed Agreement		
Labour Market		
15 Years +	2005/06	Change, 2004/05– 2005/06
Employment	68,200	700 ↑
Unemployment Rate	11.1%	0.1% ↑
Client Type and Age Distribution		
Active	Former	Non-Insured
64.1%	13.1%	22.8%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
28.5%	66.2%	5.3%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	6.2% ↓	22.8% ↓
Expenditures	2.1% ↑	4.9% ↑

During 2005/06, 4,168 individuals accessed EBSMs, participating in 5,705 new interventions. This represents a decrease of 0.6% in the number of clients from the previous year, and a decrease of 16.7% in new interventions delivered. The relative share of Employment Services interventions increased by 4.6 percentage points, with a corresponding decrease in the share of Employment Benefits interventions. EBSM expenditures totalled \$24.5 million, an increase of 2.6% over the previous year.

2.1 Employment Benefits

There were 2,377 Employment Benefits interventions delivered in 2005/06, representing 41.7% of all EBSMs delivered in the province. This is a decrease of 6.2% from the previous year, when 2,535 interventions were delivered. Expenditures for Employment Benefits increased to \$20.5 million, up from \$20.0 million reported last year.¹¹ This

increase is due in part to the fact that contributions formerly covered under the federal-provincial SD agreement are now being funded through SD agreements with individuals.

2.2 Employment Services

Overall, 3,328 Employment Services interventions were delivered, representing 58.3% of all EBSMs. This is a decrease of 22.8% from the previous year, when 4,310 interventions were delivered. Expenditures for Employment Services increased to \$4.0 million from \$3.8 million in the previous year. There was greater use of the self-serve model for EAS throughout the region. In addition, an improved labour market enabled clients to reach their employment goals with fewer interventions.

3. Nova Scotia

Nova Scotia experienced overall employment losses in 2005/06. Employment levels declined in manufacturing and construction, but increased in the service sector, notably in wholesale and retail trade. The unemployment rate averaged 8.2%, down slightly from the previous year. Skills shortages and recruitment difficulties continued in the fishing and aquaculture, transportation and tourism, and health care sectors.

Key employment program priorities were to develop a new workplace skills strategy to promote a skilled and adaptable work force; to engage employers in addressing human resources issues; and to create partnerships to facilitate workplace skills development that supports the inclusion of disadvantaged clients. Nova Scotia also invested in initiatives to enhance labour market information and make it more accessible, which included efforts to identify high opportunity occupations in order to support training investments.

In 2005/06, 13,557 individuals accessed EBSMs, participating in 20,342 new interventions. This represents an increase of 22.2% in the number of clients over the previous year, and an increase of 34.7% in new interventions delivered. The relative share of Employment Services interventions increased by 7.5 percentage points, with a corresponding decrease in the share of Employment Benefits interventions. EBSM expenditures totalled \$79.2 million, an increase of 6.9% over the previous year.

¹¹ Note that calculating percentage change based on rounded expenditure figures may yield different results than percentage changes noted in tables and text.

Table 4

Nova Scotia Key Facts		
Strategic Partnership Agreement		
Labour Market		
15 Years +	2005/06	Change, 2004/05– 2005/06
Employment	442,900	900 ↓
Unemployment Rate	8.2%	0.6% ↓
Client Type and Age Distribution		
Active	Former	Non-Insured
61.4%	16.1%	22.5%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
21.9%	72.8%	5.3%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	9.3% ↑	51.4% ↑
Expenditures	7.5% ↑	4.8% ↑

3.1 Employment Benefits

There were 6,526 Employment Benefits interventions delivered in 2005/06, representing 32.1% of all EBSMs delivered in the province, an increase of 9.3% from the previous year, when 5,972 interventions were delivered. This increase reflects improved awareness and use of Employment Benefit programming by external delivery partners for their case-managed clients. Expenditures for Employment Benefits increased by 7.5% to \$60.4 million, up from \$56.2 million. SD continues to represent the greatest proportion (78.7%) of EBSM programming and is the key intervention used in response to persistent skills shortages.

3.2 Employment Services

There were 13,816 Employment Services interventions delivered, representing 67.9% of all EBSMs. This is an increase of 51.4% from the previous year, when 9,128 Employment Services interventions were delivered. Expenditures increased to \$18.8 million, up from \$17.9 million. The significant increase in interventions, accompanied by only a minimal increase in expenditures, can be attributed to the expanded role of external delivery partners in assessing and managing EBSM clients; stronger cooperative relationships with delivery partners; and improvements in data collection.

4. New Brunswick

Employment levels increased moderately in New Brunswick during 2005/06. The manufacturing sector suffered job losses, while the service sector experienced job gains, most notably in wholesale and retail trades and public administration. The province's unemployment rate declined only slightly to 9.6%, compared to 9.7% in the previous reporting period. Unemployment levels declined by a similar margin, as some unemployed workers migrated to jobs in western provinces.

The province's priorities for training and employment programming included providing skills training in high opportunity occupations for unemployed workers, and ensuring equity and inclusiveness in program delivery.

In 2005/06, 17,852 individuals accessed programming similar to EBSMs, participating in 37,962 interventions. This represents a decrease of 3.8% in the number of clients compared to the previous year, and an increase of 8.4% in new interventions delivered. The relative share of Employment Services interventions increased by 6.1 percentage points, with a corresponding decrease in the share of Employment Benefits interventions. EBSM expenditures totalled \$86.9 million, an increase of 0.3% from last year.

Table 5

New Brunswick Key Facts		
Transfer Agreement		
Labour Market		
15 Years +	2005/06	Change, 2004/05– 2005/06
Employment	352,900	2,200 ↑
Unemployment Rate	9.6%	0.1% ↓
Client Type and Age Distribution		
Active	Former	Non-Insured
65.1%	15.9%	19.0%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
22.9%	71.5%	5.6%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	11.5% ↓	18.2% ↑
Expenditures	0.6% ↓	1.9% ↑

4.1 Employment Benefits

There were 10,202 Employment Benefits interventions delivered in 2005/06, representing 26.9% of all EBSMs delivered in the province. This is a decrease of 11.5% from the previous year, when 11,531 interventions were delivered. The province reported a significant decrease in the number of clients visiting employment services providers, due to improvements in some sectors of the economy. As a result, fewer action plans were initiated. In addition, fewer SD interventions were delivered under the province's Strategic Initiatives Component (used primarily for skills development activities in the fishing and forestry sectors), due to a decline in the forestry industry during the period. Expenditures for Employment Benefits decreased by 0.6% to \$76.0 million, down from \$76.4 million in the previous year.

4.2 Employment Services

There were 27,760 Employment Services interventions delivered, representing 73.1% of all EBSMs. This is an increase of 18.2% from the previous year, when 23,490 interventions were delivered. This increase is due in part to enhancements in provincial data capture methods, as additional services were recorded in client action plans. Expenditures increased slightly to \$10.9 million, up from \$10.7 million in the previous year.

5. Quebec

Quebec experienced mixed employment results in 2005/06. Overall employment levels increased by just under 1.0%. Within the goods-producing sector, employment losses occurred in manufacturing, while construction and agriculture gained momentum. The service sector

Table 6

Quebec Key Facts		
Transfer Agreement		
Labour Market		
15 Years +	2005/06	Change, 2004/05– 2005/06
Employment	3,728,800	35,000 ↑
Unemployment Rate	8.3%	0.1% ↓
Client Type and Age Distribution		
Active	Former	Non-Insured
68.1%	13.6%	18.3%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
17.7%	75.6%	6.7%
Interventions and Expenditures ¹² % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	2.3% ↑	1.5% ↑
Expenditures	0.3% ↑	3.6% ↓

¹² Includes Supplément de retour au travail expenditures. Supplément de retour au travail provides EI active or former claimants with a supplement of up to \$500 to help cover expenses related to returning to work (such as new tools, office materials or clothing).

experienced gains in business, building and support services, wholesale and retail trade, and education, with job losses in transportation and warehousing, and in other services. The unemployment rate declined marginally, as the Quebec labour force continued to expand throughout the year.

In 2005/06, 188,340 individuals accessed programming similar to EBSMs, participating in 217,632 new interventions. In comparison to the previous year, this is a 2.1% increase in the number of clients and an increase of 1.7% in new interventions. The relative share between Employment Services and Employment Benefits interventions remained unchanged from the previous year. EBSM expenditures totalled \$496.2 million, a decrease of 0.6% from the previous year.

5.1 Employment Benefits

There were 47,857 Employment Benefits interventions delivered in 2005/06, representing 22.0% of all EBSMs delivered in the province. This is an increase of 2.3% from the previous year, when 46,797 interventions were delivered. Emphasis in Employment Benefits programming was given to training participants to meet identified labour market demands. Depending on the geographic area of the province, emphasis was placed on skills training for the resource industry (new forestry technologies and fish products processing), the manufacturing sector (production of high-end clothing and aircraft structure assembly) or the service industry (network administration and tourism development). SD-Regular interventions increased by just over 6.1%, representing 77.8% of all EBSMs delivered. Expenditures for Employment Benefits were \$384.2 million, a slight increase of 0.3% from last year.

5.2 Employment Services

There were 169,775 Employment Services interventions delivered, representing 78.0% of all EBSMs. This is an increase of 1.5% from the previous year, when 167,257 interventions were delivered. Quebec's priority in Employment Services delivery was to help clients who were most at risk of experiencing prolonged periods of unemployment. Expenditures for Employment Services were \$112.0 million, a decrease of 3.6% from last year.

6. Ontario

There was moderate improvement in the Ontario labour market in 2005/06, with employment levels increasing during the period. While the goods-producing sector suffered employment losses, particularly within

utilities and manufacturing, the service sector experienced job gains, notably in educational services and in wholesale and retail trade. The unemployment rate declined to 6.5%, down slightly from 6.8% in 2004/05.

Table 7

Ontario Key Facts		
Agreement Not in Force		
Labour Market		
15 Years +	2005/06	Change, 2004/05–2005/06
Employment	6,424,700	96,100 ↑
Unemployment Rate	6.5%	0.3% ↓
Client Type and Age Distribution		
Active	Former	Non-Insured
62.4%	12.8%	24.8%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
12.7%	79.9%	7.4%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	1.3% ↓	14.6% ↓
Expenditures	17.6% ↓	2.1% ↓

In 2005/06, 137,593 individuals accessed EBSMs, participating in 247,800 new interventions. This represents a decrease of 15.8% in the number of clients over the previous year, and a decrease of 12.9% in new interventions delivered. A number of factors reduced the number of clients seeking employment assistance, including reduced client EI Part I eligibility and improved labour market conditions. The relative share of Employment Benefits interventions increased by 1.7 percentage points, with a corresponding decrease in the share of Employment Services interventions. EBSM expenditures totalled \$436.5 million, a decrease of 11.7% from the previous year.

6.1 Employment Benefits

There were 36,870 Employment Benefits interventions delivered in 2005/06, representing 14.9% of all EBSMs delivered in the province. This is a decrease of 1.3% from the previous year, when 37,358 interventions were delivered. The temporary suspension of regular group information sessions during the period lowered the number of clients flowing into Employment Benefits programming. The reduction in the number of EI-eligible clients also decreased the number of participants eligible for training programs. Expenditures for Employment Benefits decreased in 2005/06 by 17.6% to \$251.8 million, down from \$305.7 million in the previous year, as fewer longer term interventions were delivered.

6.2 Employment Services

Overall, there were 210,930 Employment Services interventions delivered, representing 85.1% of all EBSMs. This is a 14.6% decrease from the previous year, when 247,047 interventions were delivered. Improved labour market conditions may have reduced services uptake. Expenditures for Employment Services decreased by 2.1% in 2005/06, falling to \$184.7 million, compared to \$188.7 million in the previous year.

7. Manitoba

Manitoba experienced a declining unemployment rate in 2005/06, increased employment levels, and increased skills and labour shortages. While the goods-producing sector suffered slight employment losses, specifically in utilities and manufacturing, the service sector experienced job gains, especially in finance, insurance and real estate, and in accommodation and food services.

Manitoba's key priority for employment programming in 2005/06 was to help displaced workers find new employment, with a focus on youth, older workers, persons on income assistance, women re-entering the labour market, underemployed workers and skilled immigrants. The province also focused on promoting and supporting skills development to fill skills shortages, and on encouraging long-term labour force attachment among individuals traditionally under-represented in the labour market (including Aboriginal people, members of visible minorities and persons with disabilities).

In 2005/06, 26,368 individuals accessed programming similar to EBSMs, participating in 36,495 new interventions. In comparison to the previous

year, there was a 9.8% decrease in the number of clients and a decrease of 6.9% in new interventions delivered.

The relative share of Employment Benefits interventions increased by 1 percentage point, with a corresponding decrease in the share of Employment Services interventions. EBSM expenditures totalled \$41.8 million, a decrease of 0.7% compared to the previous year.

Table 8

Manitoba Key Facts		
Transfer Agreement		
Labour Market		
15 Years +	2005/06	Change, 2004/05–2005/06
Employment	581,600	3,500 ↑
Unemployment Rate	4.6%	0.7% ↓
Client Type and Age Distribution		
Active	Former	Non-Insured
52.9%	12.2%	34.9%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
22.3%	70.9%	6.8%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	0.2% ↓	8.0% ↓
Expenditures	0.7% ↓	0.9% ↓

7.1 Employment Benefits

There were 5,565 Employment Benefits interventions delivered in 2005/06, representing 15.2% of all EBSMs delivered in the province. This is a decrease of 0.2% from the previous year, when 5,576 interventions were delivered. The province made greater use of targeted programming in order to work with employers on labour market adjustment activities. Expenditures for Employment Benefits also decreased slightly by 0.7% to \$33.5 million in 2005/06, down from \$33.7 million the previous year.

7.2 Employment Services

Overall, there were 30,930 Employment Services interventions delivered, representing 84.8% of all EBSMs. This is an 8.0% decrease from the previous year, when 33,609 interventions were delivered. The province's continuing low unemployment rate reduced the number of individuals requesting Employment Services. In addition, an increasing proportion of new clients were not "job ready"—that is, they faced multiple barriers to employment requiring longer and more intensive service interventions, such as literacy and numeracy training, career development and skills upgrading. Expenditures for Employment Services decreased slightly by 0.9%, down from \$8.4 million last year to \$8.3 million in 2005/06.

8. Saskatchewan

Saskatchewan's employment level declined slightly in 2005/06, nudging the unemployment rate up marginally. Employment gains in the goods-producing sector, especially in construction, were offset by losses in the service sector. Saskatchewan experienced significant out-migration (mostly to Alberta) during the period. This was fuelled largely by a widening wage gap between these two provinces, which contributed to labour shortages in some sectors. High demand for skilled workers continued in the health care, mining, oil and gas, and transportation sectors. There was also an elevated demand for skilled trades people, labourers and managers.

Strategic priorities for the delivery of EBSM programming included ensuring the supply of skilled workers, and improving the participation and labour market integration of under-represented groups, particularly Aboriginal people.

In 2005/06, 13,575 individuals accessed programming similar to EBSMs. These individuals participated in 19,958 new interventions. In comparison to the previous year, there was a 9.3% increase in the number of clients and an increase of 8.4% in new interventions. The relative share of Employment Services interventions increased by 2.8 percentage points, with a corresponding decrease in the share of Employment Benefits interventions. EBSM expenditures totalled \$35.5 million, a decrease of 1.2% over the previous year.

8.1 Employment Benefits

There were 6,826 Employment Benefits interventions delivered in 2005/06, representing 34.2% of all EBSMs

Table 9

Saskatchewan Key Facts		
Transfer Agreement		
Labour Market		
15 Years +	2005/06	Change, 2004/05– 2005/06
Employment	482,500	300 ↓
Unemployment Rate	5.2%	0.1% ↑
Client Type and Age Distribution		
Active	Former	Non-Insured
67.1%	28.1%	4.8%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
18.2%	77.3%	4.5%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	0.2% ↑	13.1% ↑
Expenditures	1.0% ↑	12.5% ↓

delivered in the province. This increase of only 0.2% from the previous year is a result of reduced overall demand for longer term interventions, as job-ready clients chose to work rather than access training. SD-Apprentices interventions increased by 9.3% compared to the previous year, as the province continued to address persistent skills shortages. Expenditures for Employment Benefits increased slightly by 1.0% to \$30.5 million in 2005/06, up from \$30.2 million the previous year.

8.2 Employment Services

Overall, there were 13,132 Employment Services interventions delivered, representing 65.8% of all EBSMs. This is a 13.1% increase from the previous year, when 11,609 interventions were delivered. The increase in Employment Services interventions can be attributed to a more coordinated approach to service delivery, where clients received Employment Services when they applied for Saskatchewan Assistance Benefits. In addition, high demand

for certain occupations (such as those in trades, services, sales and construction) increased the demand for Employment Services interventions, and reduced requests for training. Lower expenditures were due largely to the use of shorter term interventions that led directly to employment.

9. Alberta

The Alberta labour market continued to expand in 2005/06, generating significant gains in employment levels. Within the goods-producing sector, employment losses in agriculture and manufacturing were offset by gains in the resource and construction sectors, while employment in the service sector increased across a number of industries. The province's unemployment rate declined throughout the year, averaging 3.8%, the lowest provincial rate in Canada. Strong growth is expected to continue in the mining, oil and gas extraction, pipelines, infrastructure, construction and information, health care, and communications and technology sectors.

Table 10

Alberta		
Key Facts		
Transfer Agreement		
Labour Market		
15 Years +	2005/06	Change, 2004/05–2005/06
Employment	1,798,900	33,800 ↑
Unemployment Rate	3.8%	0.6% ↓
Client Type and Age Distribution		
Active	Former	Non-Insured
35.6%	14.7%	49.7%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
26.9%	67.6%	5.5%
Interventions and Expenditures		
% Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	2.5% ↑	6.7% ↑
Expenditures	4.0% ↓	8.9% ↑

Alberta's strong economy affected public demand for employment programs and services. Increased emphasis was placed on integrating under-represented groups into the labour market, thereby alleviating persistent skills shortages, and assisting clients facing significant barriers to employment.

In 2005/06, 102,674 individuals accessed programming similar to EBSMs, participating in 176,152 new interventions. In comparison to the previous year, there was a 7.2% increase in the number of clients and an increase of 6.5% in new interventions delivered. The relative share of Employment Services and Employment Benefits interventions was consistent with the previous year, and expenditures remained the same, with \$108.5 million spent in both periods.

9.1 Employment Benefits

There were 19,310 Employment Benefits interventions delivered in 2005/06, representing 11.0% of all EBSMs delivered in the province. This is an increase of 2.5% from the previous year, when 18,833 interventions were delivered. Alberta's strong job market reduced client demand for SD-Regular and SE interventions. Participation increased, however, in apprenticeship training and workplace training, as greater emphasis was placed on alleviating current and anticipated skills shortages. Expenditures for Employment Benefits decreased by 4.0% to \$71.7 million in 2005/06, down from \$74.8 million in the previous year. This drop was likely due to the greater use of shorter term Employment Benefits interventions, such as apprentice training.

9.2 Employment Services

There were 156,842 Employment Services interventions delivered, representing 89.0% of all EBSMs. This is a 6.7% increase from the previous year, when 146,938 interventions were delivered. Employers in Alberta experienced significant difficulty in recruiting workers and therefore made greater use of labour exchange services. In addition, Alberta's focus on helping clients facing significant barriers to employment increased use of EAS. Expenditures for Employment Services increased by 8.9% to \$36.8 million in 2005/06, up from \$33.7 million in the previous year.

10. British Columbia

Strong labour market conditions prevailed in British Columbia throughout 2005/06. While employment decreased in the manufacturing sector, employment levels

rose across most other sectors, particularly in construction and in wholesale and retail trade. The province's unemployment rate declined, averaging 5.4%, despite continued labour force expansion.

Table 11

British Columbia Key Facts		
Co-Managed Agreement		
Labour Market		
15 Years +	2005/06	Change, 2004/05– 2005/06
Employment	2,149,000	70,400 ↑
Unemployment Rate	5.4%	1.5% ↓
Client Type and Age Distribution		
Active	Former	Non-Insured
49.7%	14.2%	36.1%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
19.7%	72.6%	7.7%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	0.5% ↑	9.0% ↓
Expenditures	0.3% ↑	5.4% ↑

British Columbia's priorities for employment programming included providing more services for under-represented groups, addressing supply-demand imbalances, enhancing labour market information and ensuring ongoing accountability for results.

In 2005/06, 85,892 individuals accessed EBSMs, participating in 137,759 new interventions. In comparison to the previous year, there was a 4.7% increase in the number of clients and a decrease of 7.5% in new interventions delivered. The relative share of Employment Benefits interventions increased by 1.3 percentage points, with a corresponding decrease in the share of

Employment Services interventions. EBSM expenditures totalled \$283.2 million, an increase of 2.1% over the previous year. British Columbia fully implemented automated data capture systems in 2005/06, and minor data integrity issues were being addressed at that time. As a result of the change in the data capture process, caution must be exercised in making year-to-year comparisons.

10.1 Employment Benefits

There were 22,439 Employment Benefits interventions delivered in 2005/06, a slight increase of 0.5% from the previous year, when 22,322 interventions were delivered. Increased employment opportunities reduced client demand for employment programming, resulting in fewer Employment Benefits interventions being delivered in all categories except SD-Apprentices, which increased by 21.9%. This notable increase is a result of the province's efforts to reduce skills shortages in construction trades occupations. Expenditures for Employment Benefits increased slightly to \$176.0 million, up 0.3% from \$175.5 million the previous year.

10.2 Employment Services

Overall, 115,320 Employment Services interventions were delivered, representing 83.7% of all EBSMs. This is a 9.0% decrease from the previous year, when 126,669 interventions were delivered. British Columbia's key priority in addressing labour market challenges was to enhance the services provided to under-represented groups, shifting from a philosophy of "quick returns to work" to one of providing a continuum of interventions for clients, many of whom face multiple barriers to employment. This change contributed to an increase of 5.4% in expenditures for Employment Services to \$107.3 million, up from \$101.8 million reported in 2004/05.

11. Yukon

Yukon experienced labour force growth and increased employment levels in 2005/06. According to the Yukon Bureau of Statistics, the average unemployment rate in the territory in 2005 was the lowest recorded since 1992 at 5.1%, a decrease from 5.8% in 2004.¹³ Growth industries in Yukon included construction, mining and public administration.

¹³ The Yukon Bureau of Statistics reports annual averages by calendar year.

Table 12

Yukon Key Facts		
Co-Managed Agreement		
Client Type and Age Distribution		
Active	Former	Non-Insured
57.9%	11.5%	30.6%
(15-24) Youth	(25-54) Core Age	(55+) Older Workers
20.0%	74.0%	6.0%
Interventions and Expenditures % Change, 2004/05-2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	2.3% ↑	55.9% ↓
Expenditures	2.0% ↑	3.4% ↑

Priorities for employment programming in Yukon continued to include improving skills levels of unemployed workers and promoting apprenticeship training. The need for work-based programs such as JCP and TWS was reduced in 2005/06, due to improved labour market conditions.

In Yukon, 442 individuals accessed EBSMs in 2005/06, participating in 470 new interventions. In comparison to the previous year, there was a 19.9% decrease in the number of clients accessing EBSMs and a decrease of 39.8% in the number of new interventions delivered. The relative share of Employment Benefits interventions increased by 19.4 percentage points, with a corresponding decrease in the share of Employment Services interventions. EBSM expenditures totalled \$3.8 million, an increase of 2.4% over the previous year.

11.1 Employment Benefits

There were 221 Employment Benefits interventions delivered in 2005/06, representing 47.0% of all EBSMs delivered in the territory. This is an increase of 2.3% from the previous year, when 216 interventions were delivered. SD-Apprentices interventions increased significantly by 33.3%, accounting for 56.1% of all Employment Benefits interventions delivered. Expenditures for Employment

Benefits increased by 2.0% to \$2.50 million, up from \$2.45 million reported last year, due to the increased cost of apprenticeship training.

11.2 Employment Services

Overall, 249 Employment Services interventions were delivered, representing 53.0% of all EBSMs. This is a 55.9% decrease from the previous year, when 565 Employment Services interventions were delivered. EAS providers in Yukon report an increased use of self-service offerings during the period and a reduced demand for Employment Services interventions, due to improved labour market conditions. Expenditures for Employment Services increased to \$1.3 million, up from \$1.2 million in the previous reporting period. This increase is attributed to the province's high fixed overhead costs and increases in other costs for other goods and services, such as fuel, utilities and transportation.

12. Northwest Territories

The Northwest Territories experienced strong economic growth in 2005/06. According to the N.W.T. Bureau of Statistics, employment growth and labour demand were strong in many sectors, including resource harvesting, construction, transportation, manufacturing, retail and communications. The Ministry of Education, Culture and Employment reported a high rate of in-migration in response to increased employment opportunities.

A key priority for the N.W.T. in 2005/06 was to address skills shortages created by growth in non-renewable resources and related secondary industries and support services. Skills shortages are expected to get worse as potential resource development projects are realized. These projects include the proposed Mackenzie Gas Project, the expansion of the Diavik mine, the construction of the DeBeers mine, the Talston River hydro project, and the Gahcho Kue and Jericho diamond mines.

The most significant barrier to employment for residents of N.W.T. continues to be low education levels. Accordingly, a primary objective of the territorial government's strategic plan for employment programming is to help residents take advantage of opportunities in the expanding economy. This approach includes a strong focus on building essential skills (particularly among youth), skills development and apprenticeship training.

Table 13

Northwest Territories Key Facts		
Transfer Agreement		
Client Type and Age Distribution		
Active	Former	Non-Insured
88.9%	8.9%	2.2%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
18.5%	77.8%	3.7%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	24.4% ¹⁴ ↓	N/A ¹⁵
Expenditures	21.1% ↓	3.5% ↑

In 2005/06, 269 individuals accessed programming similar to EBSMs, participating in 322 new interventions. This represents a decrease of 23.1% in the number of clients from the previous year, and a decrease of 24.4% in new interventions delivered. Employment Benefits and Services expenditures totalled \$2.4 million, down from \$2.8 million the previous year.

12.1 Employment Benefits

There were 322 Employment Benefits interventions delivered in 2005/06. This is a decrease of 24.4% from the previous year, when 426 interventions were delivered. Due to improved employment opportunities, the demand for Employment Benefits programming declined, except for shorter term SD-Apprentices training, which increased. Expenditures decreased to \$1.7 million, down from \$2.2 million last year.

12.2 Employment Services

There were 521 Employment Services interventions delivered in 2005/06, primarily Individual Counselling interviews. These data were not captured in Service

Canada's data systems, but work is underway to ensure that data on Employment Services interventions are captured in 2006/07.

13. Nunavut

Unemployment levels in Nunavut remained high, despite increasing employment opportunities. The predominantly young Nunavut population lacks the education and skills levels required for employment in growth industries, necessitating in-migration of skilled workers from other regions. Growth sectors include mining, construction, tourism and hospitality, government services and business services.

Table 14

Nunavut Key Facts		
Transfer Agreement		
Client Type and Age Distribution		
Active	Former	Non-Insured
30.3%	21.3%	48.4%
(15–24) Youth	(25–54) Core Age	(55+) Older Workers
22.8%	74.9%	2.3%
Interventions and Expenditures % Change, 2004/05–2005/06		
Year: 2005/06	Employment Benefits	Employment Services
New Interventions	22.3% ↑	372.1% ↑
Expenditures	13.2% ↓	N/A ¹⁶

The Government of Nunavut's top priorities were learning, literacy and skills training, and the establishment of a trade school.

There was a marked increase in the use of EBSMs in 2005/06. The centre in Iqaluit, which offers EAS, marked its first full year of operation, generating a significant increase in client numbers and in employment interventions delivered. Co-locating this centre with the

¹⁴ Though SE interventions are not included in official data sources, territorial officials report that 25 such interventions were delivered in 2005/06.

¹⁵ Official data sources indicate no activity. However, territorial officials report that 521 Employment Services interventions were delivered.

¹⁶ Official data sources do not account for expenditures on services interventions for 2004/05.

Baffin Business Development Corporation resulted in several strategic alliances with non-government organizations in Nunavut.

During 2005/06, 512 individuals accessed EBSMs, participating in 609 new interventions. This represents an increase of 106.5% in the number of clients from the previous year, and an increase of 141.7% in new interventions delivered. The relative share of Employment Benefits interventions increased by 29.5 percentage points, with a corresponding decrease in the share of Employment Services interventions. EBSM expenditures totalled \$1.8 million, a decrease of 5.3% over the previous year.

13.1 Employment Benefits

There were 203 Employment Benefits interventions delivered in 2005/06, representing 33.3% of all EBSMs delivered in the territory. This is an increase of 22.3% from the previous year, when 166 interventions were delivered. Priority was placed on the use of SD to meet the demand for skilled trades people, notably heavy equipment operators for the mining sector. Despite increased interventions, expenditures for Employment Benefits decreased by 13.2% to \$1.6 million, down from \$1.9 million reported last year. This decline was due to the increased use of shorter term occupational skills training.

13.2 Employment Services

There were 406 Employment Services interventions delivered in Nunavut, representing 66.7% of all EBSMs. This is almost five times as many as the previous year, when 86 Employment Services interventions were delivered. The increase is attributed to the new centre in Iqaluit, which provided employment services to more than 300 non-insured clients.

Chapter 4 Modernizing Employment Insurance Services for Canadians: An Evolution of Service Delivery by the Government of Canada

- 2.8 million initial and renewal Employment Insurance (EI) claims were processed¹
- 80.9% of first benefit payments were made within 28 days of the date the claim was filed
- 2.38 million claimants elected to file their applications via Application for Employment Insurance Benefits on the Internet, of whom 42.0% used a Citizen Access Work Station (CAWS) located within Service Canada Centres (SCCs)—previously Human Resource Centres of Canada (HRCCs)—and 58.0% filed from external locations
- 1.25 million Records of Employment (ROEs) were produced using ROE Web (a web-based reporting system for filing ROEs) and 21,507 employers registered as ROE Web users
- 98.8% of claimants used electronic services—the Automated Telephone Reporting Service (ATRS) and Internet Reporting Service (IRS, a web-based, bi-weekly reporting tool)—to complete their reports
- 18 million reports were completed via ATRS and IRS
- 80.5% of claimants chose to receive their payments by direct deposit
- Insurance Telemessage, an automated information service, answered 15.9 million enquiries from clients
- EI call centre employees responded to more than 6.4 million enquiries
- 95.0% of all benefits were paid accurately
- 89.5% of all appeals to the Board of Referees were scheduled to be heard within 30 days of receipt of the appeal letter
- The EI Program was delivered by 7,620 dedicated employees in 416 points of service, and supported by 11 call centres across Canada with an average annual complement of 800 EI telephone agents

I. Introduction

Since 1997, the Canada Employment Insurance Commission (CEIC) has been reporting, via the *Monitoring and Assessment Reports*, on various issues related to the EI program. Chapter 4, previously titled “Program Administration,” has tracked the evolution of service delivery over the past decade.

Excellence in service delivery has been a key priority for Human Resources and Skills Development Canada (HRSDC). Historically, the government relationship with citizens has been focused on departmental priorities, with service delivery structured around the programs and their requirements. However, since 1999, the Government of Canada has been looking at new ways to improve service delivery, recognizing that Canadians want citizen-centred services that are focused on accountability for results.

Today, Canadians want multiple service channels with no wrong door; services related to their personal needs; and increasingly electronic and efficient interactions with the government. To achieve these goals, HRSDC focused on satisfying clients by modernizing service delivery, improving citizen access and transforming service. This transformation culminated in the creation of Service Canada in 2005.

The following sections will chronicle the evolution of EI service delivery through the years from 1996, when Unemployment Insurance (UI) was reformed to become EI, to the establishment of Service Canada.

¹ Additional statistics are available in the HRSDC 2005-2006 *Departmental Performance Report* (Ottawa: HRSDC, November 2006), http://www.tbs-sct.gc.ca/dpr-rmr/0506/HRSDC-RHDSC/hrsdc-rhdsc_e.pdf.

II. Modernization of Service Delivery: Technology and Innovation

Today, information and communications technologies shape service delivery. With an overall objective to put EI services online in a manner that increased satisfaction with services, while improving the operational efficiency of service delivery, HRSDC made technology application and innovation central to its efforts to modernize EI service delivery.

Key symbols of this accomplishment are the My Employment Insurance web development and the opportunity for citizens to provide feedback on online services via the Internet. In addition, employers and individuals can now submit forms online, reducing the administrative burden of the program. Further, evolving technology has made service delivery more accessible to Canadians and more efficient.

Milestones

1999

- Internet services were expanded to include specific EI information and significant jurisprudence from Canadian Umpire Benefits.

2000

- Internet development continued along two streams:
 - the EI web site was restructured to provide information on EI programs, key legal and regulatory documentation, related jurisprudence and e-mail support for client enquiries; and
 - EI Technology Pathfinder projects were carried out to assess the feasibility of developing various electronic services for clients and businesses.

2001

- The redesign of the EI web site gave Canadians better access to information on various social programs.

2002

- All departmental web sites were consolidated into a single site.

2003

- The EI Appeals web site, which provides information on the appeals process, tools and links to key sites, was launched.

III. Service Delivery: A Citizen-Centred Approach

In 2005/06, HRSDC and Social Development Canada (SDC) shared the delivery of services. HRSDC provided in-person service, and SDC provided telephone and Internet services. The launch of Service Canada in 2005 brought together these service delivery channels into a single organization to provide Canadians with access to the broadest possible range of services. Services are designed and delivered in ways that take the interests and priorities of Canadians into account.

Milestones

1997

- Service delivery was facilitated by giving local offices autonomy in implementing benefits and services, and by enabling greater use of community-based organizations to promote our services—for example, by installing kiosks in public libraries and making employment agencies more aware of our programs.

1998

- Group information sessions (GIS) for EI claimants, first offered in 1990, were re-established in support of EI reform to help claimants return to work more quickly; provide them with key information; and protect the integrity of the program by informing them of their rights and obligations.

1999

- Public liaison officers (PLOs)—who were introduced in the late 1980s to ensure that EI clients understood the program, and applicable rights and obligations—ensured fairness and accessibility of information to clients in light of recent legislative and organizational changes. The PLOs' role included liaising with the community, promoting programs, taking mass claims during mass layoffs and helping employers complete ROEs.

- All correspondence was reviewed to ensure letters were in simple language.

2001

- Telephone and video conferencing made the EI appeals process more accessible.

2002

- Kiosks in local offices were converted to CAWS to allow citizens to access EI information and assist in their job search.

2003

- In each region, 50% to 60% of kiosks were transformed into CAWS, allowing clients to file EI applications using Appli-Web.
- Modernizing Service for Canadians (MSC), a multi-year initiative, was introduced to improve the quality of service to Canadians through an integrated service delivery approach. It focused on adapting to changes in technology, increasing accessibility through online services, and improving service by increasing quality and cost effectiveness.
- Call-in times for submitting a report through Teledec—an automated telephone reporting system—were adjusted to allow claimants to begin reporting at 8:00 a.m. on Fridays, rather than on Friday afternoons. This change enhanced accessibility to call centre representatives for claimants needing assistance, such as those having difficulty completing a Teledec report.

IV. Modernization of Service Delivery: Service to Individuals

Throughout their history, HRSDC and Service Canada have been working to improve service to clients in many ways. The MSC initiative was meant to ensure that policies, programs and services were developed and provided in a more responsive, integrated and efficient manner. It also aimed to realign the way information and services were provided so that citizens could access those services when and where they needed them, often through new technologies. As part of the MSC agenda, new applications were developed to simplify and automate benefit delivery and associated data collection.

Milestones

1999

- The Automated Voice Response System for general EI enquiries and access to personalized information about benefit payments was established.
- Teledec was implemented nationally.

- Direct deposit, which allows benefits to be electronically deposited in claimants' bank accounts, was rolled out across Canada.

2000

- Processing time for direct deposit payments was reduced from three to two business days after the client successfully completes a Teledec report.

2001

- Appli-Web, an online application, was piloted in London, Ontario.

2002

- Appli-Web was launched nationally, allowing claimants to apply for benefits via the Internet, either at one of the points of service around the country or from their homes.

2003

- Appli-Web was enhanced to incorporate the following unique features:
 - an automatic information feed, so that Appli-Web and ROE Web systems could communicate with each other, provide more complete and accurate benefits, and process requests more efficiently—online and in real time;
 - screens for the Interactive Fact Finding System (IFFS), a “virtual interview” process used to obtain information from claimants on various issues related to their claims, such as whether they left their job voluntarily or were dismissed (this system streamlines claim processing by eliminating the need to complete annexes and make further contact with claimants);
 - secure transmission of information; and
 - an A to Z help index, frequently asked questions (FAQ) screens, help screens and toll-free help desk assistance.
- Telephone renewal of existing EI claims was implemented, reducing paper burden and resulting in quicker, easier benefit payments.
- The IRS, a web-based reporting service, was pilot tested in Manitoba in September.
- The launch of the Serving Employment Insurance Appellants web site enabled citizens to enquire about the EI appeals process, and to obtain information on how to prepare and present an appeal at a hearing. The site also offers search tools to help citizens review

the legal principles and applicable case law. Electronic forms for filing an appeal to the Board of Referees or to the Umpire are available on the site.

2004

- Appli-Web incorporated new technology. One result was a new password feature that allows clients who lose their Appli-Web application, as a result of an interruption or loss of connectivity, to recover and complete their application within 24 hours.
- The IFFS was enhanced to include a questionnaire for teachers.
- The IRS was launched nationally in February after a pilot test in Manitoba in 2003.
- Automated claims renewal was launched nationally. This was the first component of Automated Claims Processing (ACP), a three-year project and a major element of MSC.

2005

- The second component of ACP, automated claims registration, was launched nationally in September.

2006

- The new My EI Information Online (MEIIO) web site enabled clients to get information on their current and previous EI claims; change their mailing address, telephone number and direct deposit banking information; and view and print tax slips.
- A new short-form application for renewal claims was added to Appli-Web. These applications were expressly tailored for renewal claims, thus streamlining the process.
- The IFFS Training Course questionnaire was integrated with IRS to allow clients to provide information needed to make decisions in certain training situations. The IFFS questionnaire was also integrated with MEIIO, enabling clients to view or print previously completed questionnaires.

In 2005/06, 2.38 million claimants filed their applications via the Internet. This figure represents 84.7% of all applications received. Of the renewals filed over the Internet, 30.6% were automated. By March 2006, 87.0% of all Internet applications were automatically registered, 6.28 million clients used the IRS and the online survey of participants indicated positive feedback. In addition, clients made more than 26,000 changes of address via

MEIIO and made more than 30,000 direct deposit transactions. In total, 14.6% of active clients used this service.

Almost all claimants use electronic reporting services—either telephone or Internet services. Four out of five use direct deposit for EI payments—a timely, efficient and effective way to receive benefits. Providing online access to individual clients' account information responds to client demands for Internet services that are accessible at all times and simple to use, thereby reducing the administrative burden for individuals and government. The numbers show that citizens are increasingly embracing advancements in service delivery.

V. Modernization of Service Delivery: Service to Employers

Every termination of employment means that the employer has to complete an ROE. When the employer uses the three-part paper form, the employee receives a copy to use when applying for EI benefits. A second copy is sent directly to a Service Canada office in Bathurst, New Brunswick, where standard data entry captures information to validate the EI application. The employer keeps the third copy for future reference.

Milestones

1998

- The ROE form was simplified as a result of the change in entrance requirements from weeks to hours and the elimination of weekly minimums and maximums. Consequently, the 35-page guide was replaced with a four-page document focusing on the majority of cases instead of exceptional cases. This change reduced employers' administrative burden.
- The laser-printed ROE was introduced. Employers who registered with the local office could obtain the software that produced laser-printed ROEs with unique serial numbers and a bar code for security purposes.

2002

- After a redesign and a successful pilot in 2001/02, the Automated Earnings Reporting System (AERS) was updated to allow employers to report all payroll data

using the Internet. These data are used to detect abuse of the EI account. The previous system accepted only certain payrolls.

2003

- In response to a long-standing request from employers to simplify the ROE creation process, ROE Web was piloted. This web-based reporting system facilitates business-to-government transactions over the Internet. The system permits the acceptance of secure web-based transmissions of ROE data from employers, using public key infrastructure technology that provides authentication, encryption and digital signature of the transactions.

2004

- ROE Web was implemented nationally. This system has enabled Canadian employers to create and print ROEs using Internet technology and to submit the records electronically.

ROE Web has reduced paper burden and data entry workload for Canadian employers. Furthermore, the quality of information provided has improved due to a built-in editing function, and the decrease in errors has led to monetary savings.

VI. Client Satisfaction: Quality, Accuracy and Efficiency

Over the past decade, the EI Program has continuously evolved to address concerns regarding the program's accuracy, effectiveness and consistency. Numerous measures have been put in place to reflect Service Canada's commitment to ensuring fair and efficient service.

One of the principal solutions to inconsistency is training of Service Canada staff. The National Learning Strategy for the delivery of the EI Program has ensured that proper practices have been implemented across the country so that clients seeking information receive a consistent response, regardless of their geographic location.

As technology has advanced, Service Canada has made more information available by telephone and Internet, a change from the former in-person, one-way approach to providing information. In addition, the GIS offered by local SCCs ensure that all employers and

individuals receive the same information across the country. This strategy reflects Service Canada's shift from focusing on abuses to preventing future mistakes, thus improving accuracy. This is a cost-effective approach, as it educates people before mistakes occur.

Milestones

1980s

- The Comprehensive Tracking System was introduced to measure the accuracy rate of EI benefit payments.

1999

- The Appeals Delivery and Management System was implemented to track the nature and status of appeals and help identify areas for improvement.

2002

- The National Quality Management Initiative was introduced to set the framework for continuous improvement of quality. Results shared nationally help management track error trends and take remedial action.

2003

- The E-Mail Response Management System was implemented to enhance the e-mail response service and ensure consistent responses to frequently asked questions.
- A new comprehensive appeals review process was implemented to improve the quality of CEIC decisions and submissions to the Board of Referees. Standardized tools were developed as part of the national automated appeals management system to ensure consistent quality of appealed decisions and appeals submissions.

2004 to 2007

- The Quality Assurance Plan was introduced nationally to ensure that quality indicators are reliable, in response to observations and recommendations from the Office of the Auditor General. It consisted of a national review of the method used by insurance program advisors when monitoring EI claims. A report on the review's findings will be published in Spring 2007.

2004

- Through Call Centre Harmonization—one of the four main initiatives under the Government of Canada's MSC agenda—management of call centres supporting the EI Program, Old Age Security (OAS), the Canada Pension Plan (CPP) and the Canada Student Loans Program (CSLP) was combined into one integrated,

national network. This approach facilitated the standardization and harmonization of operational processes and procedures for responding to client enquiries, via the telephone, across the country.

- The national training policy established a framework that helps support the EI program by ensuring consistent delivery of service to clients across the country.
- Numerous initiatives to improve client satisfaction were implemented.
 - **Calling on decisions:** This initiative entails calling clients to inform them of negative decisions and to explain them. This new client-focused approach answers questions about negative decisions and the grounds on which they are based. It also gives claimants an opportunity to submit additional information.
 - **National policy on levels of adjudication:** Service delivery representatives were given the opportunity to adjudicate contentious issues that required the strict application of legislation based on factual information. This approach allowed front-line staff to finalize more claims at the first point of contact for the client.
 - **Establishment of a new operational quality target of 80%:** This target measures progress in meeting quality objectives under the Quality Assurance Plan. It is designed to ensure continued commitment to improving quality results and enhancing client satisfaction.
 - **Teledec review to reduce the number of calls requiring assistance (trip downs):** The Teledec review reduced the number of calls requiring assistance by 21%.
 - **Telemessage redesign:** The structure of the Telemessage menu on Teledec was streamlined and simplified to increase clients' access to information.

2005

- One national management structure was established for all call centres supporting EI, CPP, OAS and CSLP. Queue sizes, line capacity and telephony infrastructure were fine-tuned to reduce call blockage. A national working group was created and met weekly to discuss performance issues and to review scheduling and log-on practices. As a result, the number of blocked EI calls decreased.
- Effective November 2004, all EI, CPP and OAS call centres provided the same hours of service: Monday to Friday, 8:30 a.m. to 4:30 p.m. local time. For EI, the capacity to do the following was established:
 - transfer calls between call centres to the first available agent in both Ontario and Quebec;

- redirect calls across the network, should a call centre be unavailable;
 - measure call demand and understand the reasons clients call; and
 - predict call demand more accurately and redirect calls accordingly.
- Standards for answering the telephone, and a scorecard for regular performance measurement and reporting across all call centres, were introduced.
 - A national training initiative for staff was implemented, providing in-depth training and coaching in standardized productivity measures such as call coding, call handling and service level management principles, including workload forecasting and data management techniques. This training provided national standards and harmonized procedures required to move toward nationally managed, enterprise-wide operation of the call centres.

2006

- Thirty operational training products, in various formats, were updated or developed. These products cover the core curriculum training required to respond to client enquiries and process claims for EI benefits. Training tools continue to improve the national consistency of monitoring and work methods.
- As technology advances and new program options are implemented via the Internet, Service Canada continues to ensure that the security and privacy of individuals' personal information are protected.
- Technical changes were implemented on March 31, 2006, to allow EI calls to be networked across Canada, to improve client access regardless of where the client resides. HRSDC began developing a common reference tool and common service procedures to give telephone agents the information they need to serve clients more effectively and efficiently.

VII. Improved Citizen Access

In the past, Canadians have had to determine how to access service across a myriad of unconnected program and departmental service silos. Today, the Internet channel provides the backbone of information on programs and services. The consolidation of the HRSDC web site into a single site has given clients user-friendly and simplified access to a wide variety of EI services.

Many Canadians get access to EI services through the Internet from their homes, at work, at school or at self-serve access points across the country. Electronic service delivery is being improved to protect citizens, businesses and the government by ensuring sensitive data are handled in a secure and private manner.

Citizens also have access to Service Canada's national network. Secure Information Technology Centres ensure continuous service, and a dedicated work force in communities across Canada provides Canadians with services every day.

Service Canada is well aware that a certain segment of the population requires help using online services, and it is committed to assisting those clients. Our service delivery agents have been trained to help clients complete an application, book an appointment to speak to a specialist, or identify other services for which they may be eligible or that may interest them.

Our approach to in-person service delivery is based on the Service Experience Model and includes the following activities:

- introducing consistent methodology across regions;
- conducting pilots to test various approaches to Multi-Language Service (MLS) delivery; and
- producing and translating generic fact sheets on the top 10 Government of Canada programs and services into various languages and dialects, including Aboriginal ones.

Newcomers and Aboriginal people who are eligible for Government of Canada benefits and services currently do not access them or face delays due to their inability to communicate in one of the official languages. Current MLS activities include the following:

- scheduled outreach in eight Nunavut communities in Inuktitut (since 2000);
- scheduled outreach in six Vancouver community sites in Punjabi, Cantonese and Mandarin (since November 2005); and
- a pilot of real-time telephone interpretation in eight Aboriginal and other languages and dialects in the Etobicoke and Lakeside SCCs.

In 2005/06, Service Canada call centre agents responded to 6.4 million EI calls, 58.0% within the target of 180 seconds. We acknowledge that EI clients are experiencing difficulties when attempting to obtain claim

information through our toll-free lines. New service offerings and service enhancements have contributed to capacity and access issues.

Service Canada call centres continue to look for ways to improve access to call centre agents. We are currently improving our ability to answer client enquiries by re-routing EI calls across the national network and increasing our capacity. Service Canada call centres are also continuing to develop the Service Experience Model to improve the way in which we deliver services to Canadians.

VIII. Service Transformation: Creation of Service Canada (2005)

The creation of Service Canada is a major step towards the government's transformation effort. It will fundamentally change the service culture by making it more citizen focused, results oriented and collaborative.

Officially launched on September 15, 2005, Service Canada provides a one-stop, easy-to-access, personalized range of services across multiple channels, including phone, Internet, in-person and mail. The delivery network consists of the following elements.

- There are 322 local offices in total. In fact, the number of points of service has been increased to 416, mainly attributable to staff from SCCs providing service at 75 outreach sites, through some 19 community partners. SCCs now have consistent core hours of service—Monday to Friday, 8:30 a.m. to 4:00 p.m.—with extended hours in 44 locations. In addition to offering service in both official languages, some SCCs are piloting trial services in Aboriginal languages, Cantonese, Punjabi, Mandarin and other languages, under the MLS initiative.
- There are three bilingual centres for official-language minority communities in Manitoba.
- Telephone services include the call centres for EI, OAS, CPP and CSLP, as well as the 1-800 O-Canada toll-free service and teletypewriter (TTY) service.
- Online service is available at the web site: www.servicecanada.gc.ca.

To guide Service Canada on its path to service excellence, several basic steps were taken, as outlined below.

Highlights

Service Charter

A roadmap to the future, the Service Charter, was created. The charter spells out our commitment to Canadians and is available at www.servicecanada.gc.ca/en/about/charter/charter.shtml.

Office for Client Satisfaction

Included in the charter is an introduction to the independent Office for Client Satisfaction (OCS). Information is available at www.servicecanada.gc.ca/en/about/charter/charter.shtml#aak.

The mandate of the OCS is to do the following:

- manage suggestions, compliments and complaints;
- help ensure that decisions are fair, open and transparent; and
- identify areas for improvement in processes and procedures, and recommend ways to improve.

It is not an alternate program reconsideration or appeals process.

IX. Summary

Since the former UI system was reformed in 1996, Service Canada has evolved to offer a modernized, citizen-centred approach to EI program administration and service delivery. By expanding technology use and reducing administrative burden, Service Canada has enhanced the EI service delivery model to better represent Service Canada's priorities.

Citizens expect and deserve timeliness, fairness, knowledge, competence, courteousness and results when dealing with the Government of Canada. The Government of Canada is committed to providing the highest level of citizen-centred quality services that exceed the expectations of Canadians.

In the last decade, the EI Program and its service delivery have undergone remarkable changes. The challenge continues to be to strike the right balance between service to clients and the efficiency of that service. The transformation that began with the MSC initiative has culminated in the creation of Service Canada, a single organization to deliver a broad range of government programs and services. Service Canada will continue to strive to live up to its service standards while responding to the ongoing and evolving needs of Canadians within an environment of constant change.

Chapter 5 Impacts and Effectiveness of the Employment Insurance Program

This chapter analyzes the impact and effectiveness of Employment Insurance (EI) for individuals by examining both access to and adequacy of benefits. The analysis also examines the EI Program's effect on work force attachment, the impacts of Employment Benefits and Support Measures, and the program's role in the workplace.

The main findings and methodologies of the research studies cited in this chapter are outlined in greater detail in Annex 5.

I. EI and Individuals

As indicated in chapters 2 and 3, there were 1,827,300 new EI claims for income support in 2005/06, and nearly 628,000 individuals participated in Employment Benefits and Support Measures.¹ This section assesses the impact and effectiveness of EI from the individual's perspective by examining both the accessibility and adequacy of the EI Program.

A. ACCESS TO AND ELIGIBILITY FOR BENEFITS

The EI Program provides temporary income support and assistance to Canadians during periods of unemployment. It is a social insurance program designed to pay benefits to replace lost income for those who have made contributions to the program for a specified period. Therefore, to be eligible for regular EI benefits, an individual must have contributed to the program; be available for work after the termination of employment, which must not have been for cause or due to a voluntary quit;² and meet regional entrance requirements with a sufficient number of hours of insurable work in the last year. The minimum number of hours required depends on the regional unemployment rate. The hours required are

higher for workers who have entered the labour market for the first time (new entrants) and those who have limited work experience in the last two years (re-entrants), also known collectively as NEREs.

1. Unemployed Population

Statistics Canada's Employment Insurance Coverage Survey (EICS) provides an array of information on eligibility for the EI Program and can be used to calculate a number of measures.³ A summary of the various EICS eligibility measures is presented in Chart 1, Table 1 and Annex 5.

The EICS estimated there were 1,222,700 unemployed people in Canada in 2005⁴ (shown as U in Chart 1). Of these, 68.6% had contributed to the EI Program in the last 12 months through premiums deducted from their pay, while the remaining 31.4% had not. The latter group comprised people who had been self-employed, who had been unemployed for more than 12 months or who had never worked.

A smaller proportion of all unemployed individuals (55.2%) had both contributed to the EI Program and had a job separation that met EI Program criteria (S divided by U). This represented 619,800 unemployed individuals.

¹ Since most Employment Benefits and Support Measures participants also collect Part I income benefits, adding these numbers would overstate the total number of individuals benefiting from the program.

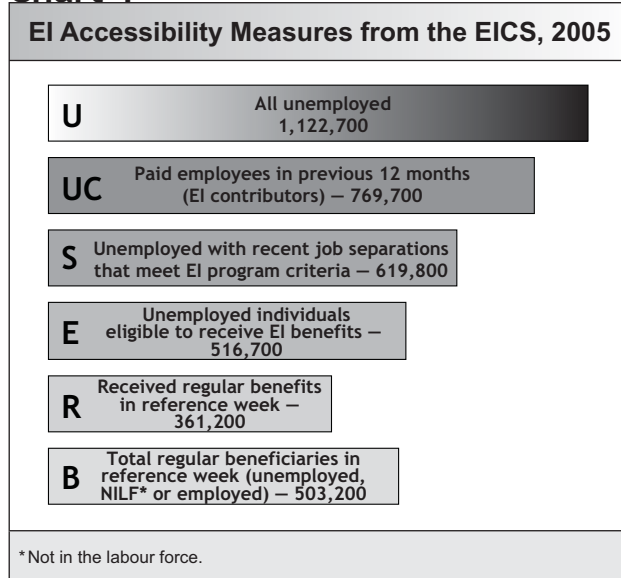
² Section 29 of the *Employment Insurance Act* identifies 13 specific circumstances that constitute just cause for voluntarily leaving employment. Just cause for voluntarily leaving employment is not limited to the situations currently defined in the Act. Jurisprudence has shown there to be 40 main reasons deemed just cause for voluntarily leaving employment. Within the terms of the Act, just cause for voluntarily leaving employment exists where, given all circumstances, the claimant had no reasonable alternative to leaving employment.

³ Statistics Canada, *Employment Insurance Coverage Survey* (Ottawa: Statistics Canada, 2005).

⁴ The Labour Force Survey (LFS) estimate was 1,172,800 unemployed people for 2005.

Since eligibility for EI depends on recent contributions to the program and on the type of job separation, the remaining 44.8% of unemployed people fell outside the existing program parameters.

Chart 1



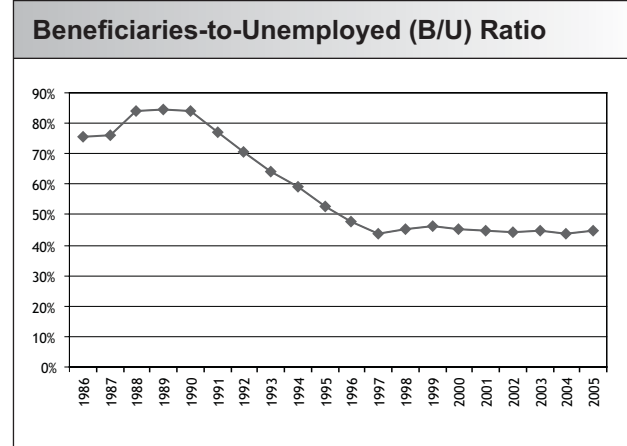
Among unemployed individuals who had been contributors and had a recent job separation that qualified under the EI Program, 83.4% were eligible to receive EI benefits in 2005 (E divided by S). This figure is the best measure of the performance of the EI Program with existing parameters for access, and was up from 80.4% in 2004. The remaining 16.6% had worked too few insurable hours to qualify for benefits, representing 103,100 unemployed.

For a number of years, access to EI has been broadly measured using the beneficiaries-to-unemployed (B/U) ratio.⁵ Despite its well-documented limitations, the B/U ratio has the advantage of simplicity and historical availability, and provides a broad indicator of program coverage. However, the B/U ratio does not represent an appropriate measure of EI Program performance, since it is based on a universal perspective that does not reflect contributions, whereas the EI Program has been designed to replace lost employment earnings for those who have recently contributed to the program by paying premiums.

In 2005, the B/U ratio was 44.8%, up slightly from 43.6% in 2004 (see Table 1). As seen in Chart 2, the B/U ratio has hovered around 45% over the last nine years.

⁵ Both the number of beneficiaries and the number of unemployed people are calculated using a four-month average of estimates for March, June, October and December. Historical B/U ratios are re-calculated each year and may vary from past calculations when historical revisions are made to the LFS. EI administrative data on the number of regular beneficiaries can also be obtained from Statistics Canada, CANSIM Table 276-0001.

Chart 2



The B/UC ratio is an alternative to the B/U ratio, with UC as the number of unemployed people who had been paid employees in the previous 12 months, and who were therefore recent contributors to the EI Program. For 2005, dividing B (503,200) by UC (769,700) yields a B/UC ratio of 63.5%, unchanged from 2004.

Hours-based eligibility for EI is determined by work patterns. EI eligibility for various sub-groups is presented in Table 1, based on the number of unemployed individuals in each sub-group with a recent job separation that qualified under EI who had sufficient hours of work to be eligible for benefits (E divided by S). Overall, the eligibility rate for all unemployed individuals with a recent job separation that qualified under the EI Program was 83.4% in 2005. As shown in Table 1, the eligibility rate in 2005 for youths (aged 15–24) with a recent job separation that qualified under EI was lower than for much of the rest of the population, at 49.8%. Youths are more likely to be employed in part-time or temporary jobs that provide fewer hours of insurable employment. However, large annual fluctuations in the eligibility rate for youths (from 60.8% in 2003 to 48.5% in 2004) mean that these results should be interpreted with some caution.

The 2005 eligibility rate for unemployed adult women and men (aged 25 and over) increased to 87.2% (4.9 percentage points) and 90.2% (0.6 percentage points), respectively.

Table 1

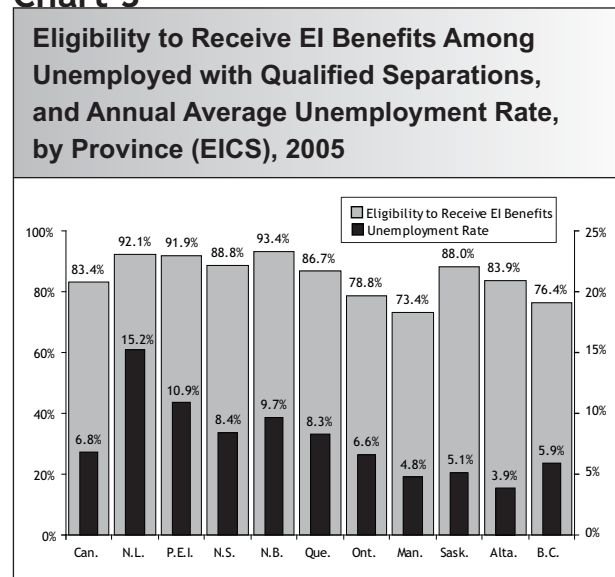
Eligibility Measures from the EICS			
	2005 (%)	2004 (%)	2003 (%)
B/U ratio	44.8	43.6	44.4
B/UC ratio	63.5	63.5	62.5
Eligibility rate for unemployed people with a recent job separation that qualified under EI	83.4	80.4	84.0
...for unemployed youth	49.8	48.5	60.8
...for unemployed adult women	87.2	82.3	84.7
...for unemployed adult men	90.2	89.6	91.6
...for people who had worked full time	90.4	87.6	91.9
...for people who had worked part time	43.1	42.8	51.4
...for people who had worked full and part time	77.3	80.5	78.2
...for immigrants	77.3	75.0	80.1

Eligibility for unemployed people who had worked full time all year went up to 90.4% from 87.6% in 2004. Eligibility for unemployed people who worked part time for the entire year remained stable in 2005, at 43.1%.

Regionally, eligibility for EI benefits among unemployed individuals who had a recent job separation that qualified under the EI Program ranged from a high of 93.4% in New Brunswick to a low of 73.4% in Manitoba (Chart 3). The EI Program adjusts eligibility requirements and entitlement to reflect regional unemployment rates. In the Atlantic provinces, where unemployment rates remained relatively high in 2005, entrance requirements were lower and accessibility of benefits was higher than in the rest of Canada. Conversely, the strong labour market in British Columbia (the unemployment rate fell from 7.0% in February 2005 to 5.1% in December 2005) raised entrance requirements, reducing eligibility. In recent years, the divergence between the highest rates of eligibility (in high unemployment regions) and the lowest rates of eligibility (in lower unemployment regions) has been growing.

While the above sections analyze EI eligibility, it is also possible to measure EI receipt among unemployed people with qualifying separations. Receipt of benefits can

differ from eligibility, since not all those who are eligible file a claim for benefits. In 2005, among unemployed people with a recent job separation that qualified under EI, on average 60.0% were receiving regular or special benefits during the reference week. The receipt rate has gradually increased from 54.5% in 2000.

Chart 3

Rates of EI receipt (regular or special benefits) for women with a recent job separation that qualified under EI declined from 60.1% in 2004 to 56.7% in 2005. The rate of receipt for men was 62.5% in 2005, up from 60.8% the previous year. Rates of receipt for men and women in 2005 were above their respective 2000 levels of 54.2% and 54.9%. Since 2000, using the same measure, rates of receipt have increased among unemployed people who had worked permanently full time, permanently part time and seasonally.

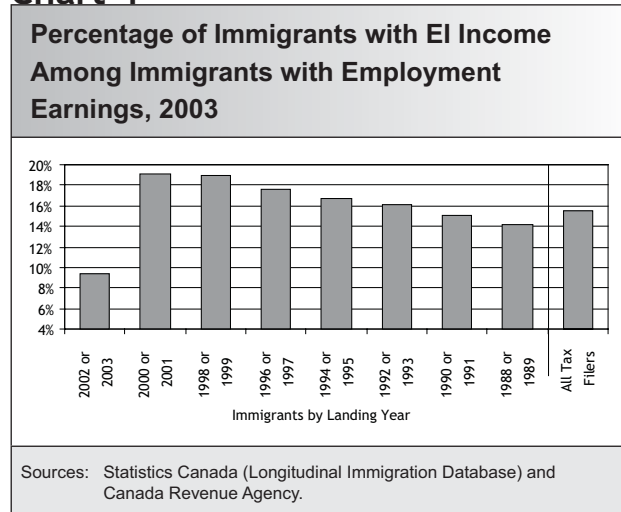
1.1 Immigrants

According to the EICS, in 2005, among the unemployed population with recent job separations that qualified under EI rules, immigrants were less likely than Canadian-born workers to be eligible for EI benefits (77.3% versus 84.8%). Eligibility data for immigrants also have a high level of variability from year to year.

To better understand EI receipt among immigrants, HRSDC also conducted an analysis based on Statistics Canada's Longitudinal Immigration Database (IMDB). This database analysis showed, among other things, the proportion of immigrant tax filers with EI income among

immigrant tax filers with employment earnings. Analysis indicates that for tax year 2003, few very recent immigrants received benefits. But, as Chart 4 indicates, access among immigrants increases within two to three years of landing, and then declines as the number of years since landing increases. Overall, immigrants tend to use the program in a proportion slightly above that of all tax filers in Canada (16.1% versus 15.5%).

Chart 4



Analysis indicating this pattern of EI receipt among immigrants is supported by an HRSDC study⁶ that shows that immigrant workers who have lived in Canada for between two and five years are more likely to use EI while they build labour force attachment. Immigrant workers least likely to use EI are those who have lived in Canada for less than two years (new entrants) or more than 10 years (among whom the rate of EI receipt is similar to that among Canadian-born workers). Immigrants who have lived in Canada for more than 10 years have stronger labour market performance and earnings, making them less likely to need EI.

The HRSDC study also shows that in Canada's seven major census metropolitan areas (CMAs), EI receipt is higher among immigrants than among Canadian-born workers, while the opposite is true outside these major centres. Immigrants, particularly recent immigrants, settle disproportionately in major CMAs.

⁶ HRSDC, *New Entrants/Re-Entrants and Immigrants* (Ottawa: HRSDC, Audit and Evaluation Directorate, forthcoming a).

⁷ Constantine Kapsalis and Pierre Tourigny, *Potential EI Eligibility of Paid Workers in December 2004* (Ottawa: Data Probe Economic Consulting Inc., forthcoming b).

⁸ Results for 2003 have been revised upward based on a slightly modified methodology, including the following changes: (a) those who were aged 16 in the current year were excluded (the SLID does not provide information for those under age 16, and many of them were treated as NEREs in the previous model); and (b) the sample was restricted to those who were employees in December, rather than those who were employees or self-employed in December and were employees at some point during the year. These changes to the methodology had minor effects on estimates.

2. Employed Population

Access to EI benefits among paid employees was also examined, based on a hypothetical layoff scenario and data from the Survey of Labour and Income Dynamics (SLID).⁷ Results indicated that 88.8% of paid employees would have had sufficient hours and could have qualified for benefits had they been laid off in December 2004, largely unchanged from December 2003.⁸ The remaining 11.2% of paid employees would not have had enough hours of insured employment to meet the eligibility requirements for establishing an EI claim. This indicator has remained relatively constant in recent years, which shows that the majority of employees have full-time, stable employment and that qualifying for EI benefits would not be an issue. However, characteristics are different among those in less stable situations. Thus, the overall average measure does not reflect the lower likelihood of eligibility among some sub-groups of employees who face a higher risk of unemployment, such as youth. In December 2004, potential eligibility for women was 85.1%, while for men it was 92.2%.

The EI Program has specific provisions for contributors who are unlikely to qualify for benefits. Individuals with insured earnings of less than \$2,000 are entitled to a refund of their EI premiums when they file an income tax return. According to Canada Revenue Agency (CRA) data, in 2002, the government refunded over \$15 million in EI premiums to 656,870 individuals, representing 5.1% of those in paid employment. As employers pay 1.4 times the premiums paid by employees, this would represent \$21 million in employer premiums.

2.1 Job Separation and Record of Employment

As mentioned earlier, access to EI benefits is based on the Variable Entrance Requirement (VER). Individuals living in EI economic regions with high unemployment rates require fewer insured hours of employment to qualify for benefits than people in regions with lower unemployment rates, reflecting the higher probability of being unemployed. For example, people living in a region with a 10% unemployment rate need 560 hours of insurable

work to qualify for benefits, while those in a region with a 7% unemployment rate require 665 hours. This section analyzes access to benefits based on flows of individuals who have experienced a job separation, as measured by Records of Employment (ROEs) filed when a job separation occurs. This approach allows more insight into the impact of the VER, as it is not limited to those who apply for benefits.

A forthcoming HRSDC study⁹ shows a strong positive relationship between the unemployment rate in a region and the proportion of job separations that would qualify for EI. The proportion of ROEs that show sufficient insurable hours of employment to qualify for EI increases as the unemployment rate rises.

In 2005, for instance, 87.4% of individuals in regions with an unemployment rate of 13.1% or higher had sufficient hours, when combining ROEs from the previous 52 weeks, to be eligible for benefits (note that this figure relates to all job separations, whether or not the individuals applied for EI benefits). In contrast, 71.0% of individuals in regions with an unemployment rate of 6.0% or lower would have qualified for EI benefits.

The above-mentioned study also examines the proportion of ROEs that would qualify if all economic regions were required to accumulate 700 hours (the highest entrance requirement at the time). It found that regions with higher unemployment rates have slightly higher proportions of ROEs that would qualify at a fixed entrance requirement. This indicates that workers in higher unemployment regions appear as able as workers in other regions to accumulate hours of insured work.

2.2 Youth

Young workers tend to have less work experience than the average worker and are more likely to work part time than workers aged 25 and over (44.7% of employed youths worked part time in 2005/06, compared to 13.5% of workers aged 25 and over). NEREs require 910 insured hours to qualify for EI, rather than the VER for the region where they live. Previous reports noted that this element of the program appears to achieve its objective, resulting in an increase in the hours of work accumulated by the affected population.

Analysis based on data from the SLID indicates that in December 2004, 40.3% of youths who were NEREs

would have had sufficient insurable hours to collect EI benefits (more than 910 insurable hours). Among youths who were not NEREs, 86.6% would have had sufficient insurable hours to meet the VER in their region to qualify for EI benefits. Overall, the rate of potential eligibility for paid employed youths was 70.4%. According to the SLID, in December 2004, youths accounted for 35.8% of paid employees who were NEREs, while they represented 15.2% of all paid employees. Furthermore, full-time students accounted for 30.0% of paid employees who were NEREs, while they represented 10.2% of all paid employees. Results also indicated that NEREs were more than three times more likely than non-NEREs to be working part-time hours.

NEREs have different work patterns and demographic characteristics than non-NEREs. As a result, their eligibility for EI benefits differs. A recent HRSDC study,¹⁰ using Canadian Out-of-Employment Panel (COEP) data, shows that NEREs are less likely to collect EI benefits. Indeed, the majority of NEREs (about 72% in 2003) had not accumulated sufficient hours during the qualifying period to collect EI benefits. Youth NEREs, who comprise a majority of the NERE population (54.7%), were less likely than other NEREs to qualify and collect benefits, since they generally worked fewer hours per week and spent fewer weeks on the job. However, it was found that many NEREs—particularly youths—go on to find alternate employment or return to school following a job separation. In fact, 12.2% of non-qualified NEREs who had a job separation had left their job to return to school. NEREs who did collect EI benefits had a lower average benefit rate and collected fewer weeks of benefits than non-NEREs. This difference was also driven by the different work patterns of NEREs compared to non-NEREs. The study also found that youth NEREs were more likely to take different forms of training while unemployed, while non-youth NEREs spent more time conducting job searches.

2.3 Older Workers

The majority of older workers have a strong and enduring attachment to the labour force, and thus are able to meet EI's hours-based requirements. The SLID revealed that 88.4% of workers aged 55 to 69 (compared to 92.3% of workers aged 25 to 54) could have qualified for benefits had they been laid off in December 2004. A study of unemployed older workers using COEP data

⁹ HRSDC, *ROE-Based Measures of Eligibility* (Ottawa: HRSDC, Audit and Evaluation Directorate, forthcoming c).

¹⁰ HRSDC, *Younger Workers and New Entrants/Re-Entrants* (Ottawa: HRSDC, Audit and Evaluation Directorate, forthcoming d).

found there was no difference between the percentage of workers aged 55 to 59 and workers aged 25 to 54 qualifying for EI benefits between April 2003 and June 2003.¹¹ And EICS data indicate that, among workers aged 45 and over¹² with a recent job separation that qualified under the EI Program, 91.0% were eligible to receive EI benefits in 2005, the highest eligibility rate among age groups.

While eligibility for EI benefits is not an issue for the majority of older workers, it is also true that, once unemployed, the average older worker receives EI for a longer period and is more likely to use all the benefits to which he or she is entitled. On average, in 2004/05, older workers received 21.4 weeks of regular benefits, compared to 19.2 for all claimants, and 34.0% of older workers exhausted their regular benefits, compared to 26.8% for all claimants.

An internal study also finds that the characteristics of workers aged 55 to 59 can differ in important ways from those aged 60 to 70. Most importantly, labour force participation drops precipitously for those aged 60 and older, as workers in this age group are more likely to retire than those aged 55 to 59. While older claimants, in general, are less educated than prime-age workers, a higher proportion of those aged 60 to 70 had post-secondary education than those aged 55 to 59. Older workers are more likely to have a job separation due to illness or injury than prime-age workers, but those aged 55 to 59 were somewhat more likely than those aged 60 to 70 to have a separation for this reason.

3. Access to Fishing Benefits

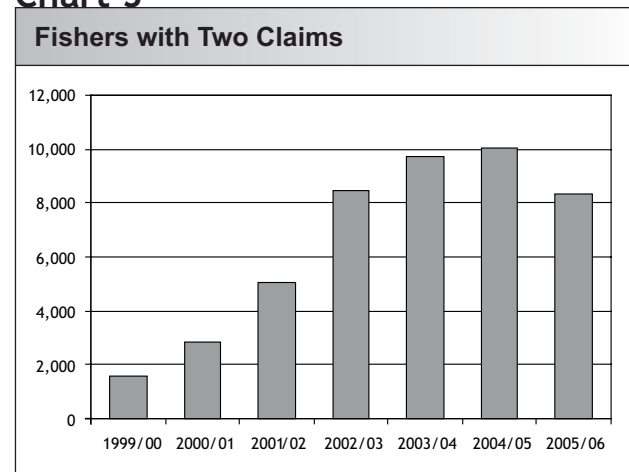
Although fishing benefits are a relatively small part of the EI Program (2.0% of total income benefits paid in 2005/06), they play an important role in providing income support in fishing communities. Access to fishing benefits is based on insured earnings rather than on hours. The commercial fishery is characterized by a multitude of small operators and a handful of large, vertically integrated companies. In 2005/06, a total of 25,630 self-employed fishers received EI fishing benefits, a 7.2% reduction from the previous reporting period.

Under the EI Program, self-employed fishing is separated into two distinct qualifying periods: summer fishing from March 1 to November 1, and winter fishing from September 1 to March 31. The drop in the number

of fishing claims and benefits paid in 2005/06 was almost entirely accounted for by a sharp drop in claims in Newfoundland and Labrador (-17.7%) and, to a lesser degree, in British Columbia (-15.0%). Many factors combined to account for these drops in fishing claims, including rising fuel costs; a stronger Canadian dollar, which affected exports; and increased competitiveness in the global market, mostly from China.

Until 2005/06, a growing number of fishers had been active in both seasons and qualified for benefits after each (Chart 5). In 2005/06, a total of 8,320 fishers established two claims, down 17.0% over the previous reporting period. It was noted in last year's report that the multiple claims trend appeared to have reached a plateau and this decrease may confirm that. Overall, the average duration of fishing claims was 20.1 weeks. Fishers with two claims received on average 18.0 weeks of benefits on their first claim and 17.2 on their second claim, compared to an average duration of 22.6 weeks among fishers who established just one claim during the year.

Chart 5



In 2005/06, 25,630 fishers made 33,950 fishing claims (-9.8%). The composition of fishers making EI claims changed from previous years. As noted, 17.0% fewer fishers made two claims, while only 1.6% fewer fishers made a single claim in 2005/06. This difference may be due to a combination of some previous multiple claimants establishing a single claim during the reporting period and fewer single claimants establishing a claim during the year. For example, in Newfoundland and Labrador, 1,260 fewer fishers made claims—the result of 1,890 fewer fishers establishing

¹¹ HRSDC, *A Note on the Characteristics of Unemployed Older Workers Using COEP* (Ottawa: HRSDC, Audit and Evaluation Directorate, forthcoming e).

¹² The EICS does not provide a breakdown for the 55 and over age group.

multiple claims offset by 630 more fishers establishing a single claim. This overall decrease in fishing claims mirrors a decrease in the number of fishers in the industry.

Average weekly benefits among fishing claimants decreased by 1.6% to \$377. This drop marked the first decline in the average weekly payment for any type of benefit in nearly 10 years. Although average weekly fishing benefits remain 16.3% higher than regular benefits, this decrease may be evidence of difficulties fishers experienced in 2005/06.

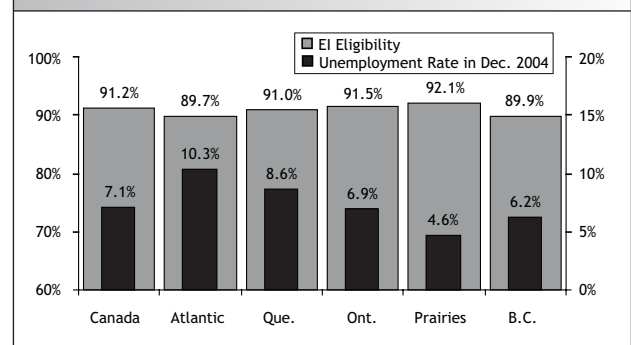
4. Access to Special Benefits

In addition to assisting Canadians who are unemployed and seeking to re-enter the work force, EI plays an important role in supporting working Canadians who are too sick to work, who need to stay at home with newborn or newly adopted children, or who take a temporary leave from work to provide care or support to a gravely ill family member. This section examines access to special benefits, particularly maternity and parental benefits.

Access to EI special benefits among paid employees was examined using SLID data. As of December 2004, 91.2% of employees would have had sufficient insurable hours to collect EI special benefits, had they needed to at that time. Claimants require 600 insured hours of work to be eligible for special benefits. The proportion of individuals with enough insurable hours (also referred to as “potential eligibility”) was consistently high across the country, ranging from 89.7% to 92.1% (Chart 6), indicating the eligibility threshold for special benefits ensures equitable access for those who contribute to EI. Potential eligibility for individuals who worked exclusively full time was about 97% for both men and women, compared to 61.2% for individuals who worked exclusively part time. In the case of part-time workers, 62.7% of women would have been eligible to collect EI special benefits, compared to 57.2% of men. The lowering of the entrance requirements from 700 to 600 insured hours, which took effect on December 31, 2000, has improved access to special benefits. In 2005/06, claimants with between 600 and 699 insurable hours established 22,010 new special benefits claims.

Chart 6

Potential EI Eligibility for Special Benefits Among Paid Employees, and Unemployment Rate, by Region, December 2004



4.1 Maternity Benefits

In 2005/06, 191,690 EI claims for maternity benefits were established, a decrease of 3.8% compared to 2004/05. As described in Chapter 2, this overall decline was the result of a decrease in maternity claims in Quebec in the months leading to the implementation of the provincial plan there, while claims from other parts of the country increased. In the months leading up to the extension of EI parental benefits in January 2001, a decline in maternity claims was observed, similar to the trend in Quebec in the months leading up to January 2006. EICS data indicate that, among all women with children aged 12 months and under (regardless of work pattern), 64.2% received maternity or parental benefits in 2005. Among mothers who did not receive maternity or parental benefits, the majority had not worked in two years or more, or were self-employed. Among women with children aged 12 months and under in 2005 who had insurable employment in the year before childbirth, 85.6% received maternity or parental benefits, down slightly from 88.7% in 2004.

When EI parental benefits were enhanced in 2000/01, the duration of benefits was extended so that maternity and parental benefits, combined with the waiting period, became a full year. There has been some concern that the extended duration of parental benefits could have an unintended impact of making it more difficult for mothers away from work for an extended period to accumulate sufficient hours to re-qualify for benefits if a subsequent pregnancy occurred relatively quickly. An HRSDC study¹³ indicates that the lowering of the entrance requirements, mentioned above, offset any potential impact that extended

¹³ HRSDC, *Eligibility for EI Maternity and Parental Benefits After a First Child* (Ottawa: HRSDC, Audit and Evaluation Directorate, forthcoming g).

benefits may have otherwise had, and access to benefits for mothers having a subsequent child is high. Of course, since work patterns determine eligibility, those who work fewer hours have lower access. For instance, women aged 15 to 24, who are more likely to work part time than women in other age groups, have lower eligibility. The study also found that eligibility for benefits declines as the number of young children a mother has increases and hours of insured work are affected.

4.2 Parental Benefits

The number of biological parental claims established by men (34,060) increased by 2.6% in 2005/06, compared to increases of 3.3% in 2004/05, 10.5% in 2003/04, 25.9% in 2002/03 and 77.8% in 2001/02. In the 2005 EICS, 14.2% of mothers reported that their spouses claimed or intended to claim parental benefits, an increase from 9.5% in 2004. Women continued to establish the vast majority of parental claims (84.5%) and collected 30.9 weeks of parental benefits, on average, compared to 14.9 weeks for men.¹⁴

The trend toward increased sharing of parental benefits, identified in previous reports, continued, as reflected in the ratio of parental to maternity claims. In 2005/06, there were 1.14 biological parental claims for every maternity claim, increasing from 1.13 in 2004/05 and 0.96 in 1999/00, the fiscal year before parental benefits were enhanced. In addition to extending duration and improving accessibility, the enhancements to parental benefits also improved flexibility by allowing parents who share benefits to serve only one waiting period instead of two. In 2005/06, the waiting period was waived for 14,630 parental claims, providing further evidence of the increased sharing of benefits between parents.

B. ADEQUACY OF BENEFITS

The examination of the adequacy of EI benefits is based on average weekly benefits, particularly for low income claimants with children, and on the duration of regular and special benefits.

1. Level of Benefits

Under the legislation, maximum insurable earnings (MIE) for EI were established at \$39,000, until surpassed by the calculated value of annual average earnings, at

which time the MIE would be revised to reflect this calculated value. The calculated value is called projected annual average earnings (PAAE),¹⁵ based on the average weekly earnings of the industrial aggregate in Canada as published by Statistics Canada.

In 2006, the MIE under EI remained 3.2% above the 2006 PAAE value of \$37,800. Accordingly, EI premiums were paid only on the first \$39,000 of earnings. All earnings during the rate calculation period at or under that level were insured by EI and were used to determine EI weekly benefits.¹⁶

For 2007, the calculated value of annual average earnings surpassed the \$39,000 threshold. As shown in Table 2, the MIE was increased accordingly and set at \$40,000 for 2007. This change increased the maximum weekly EI benefit from \$413 to \$423.

Table 2

Difference Between the Maximum Insurable Earnings (MIE) and the Projected Annual Average Earnings (PAAE)				
Year	MIE (\$)	PAAE (\$)	Difference	
			(%)	\$
1996	39,000	31,781	22.7	7,219
1997	39,000	32,427	20.3	6,573
1998	39,000	32,912	18.5	6,088
1999	39,000	33,314	17.1	5,686
2000	39,000	34,104	14.4	4,896
2001	39,000	34,698	12.4	4,302
2002	39,000	34,942	11.6	4,058
2003	39,000	35,584	9.6	3,416
2004	39,000	36,256	7.6	2,744
2005	39,000	36,700	6.3	2,300
2006	39,000	37,800	3.2	1,200
2007	40,000	40,000	0.0	0.0

From 2004/05 to 2005/06, the average weekly regular benefit increased from \$315 to \$324, the ninth consecutive annual increase. Overall, the average weekly regular benefit under EI has been keeping pace with the growth in the PAAE. Since 1996/97, the average weekly regular benefit

¹⁴ In order to measure only completed claims, data and analysis on claim duration are for claims established in 2004/05.

¹⁵ The methodology used to obtain the PAAE for 2007 is outlined in the *Employment Insurance Act* and in the *Report on the Maximum Yearly Insurable Earnings*, published by HRSDC's Actuary's Office (<http://www.hrsdc.gc.ca/en/ei/reports/pr-max2007.pdf>).

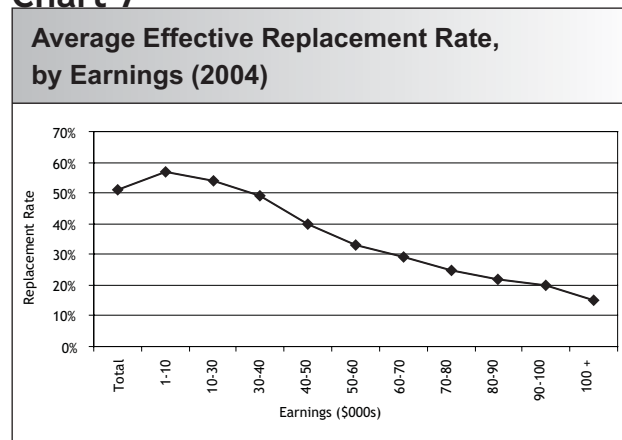
¹⁶ Average weekly benefits are determined by dividing the total earnings in the last 26 continuous weeks by the greater of the number of weeks worked in the last 26 continuous weeks or the minimum divisor.

rate has increased from \$272 to \$324, or by 19.2%, exceeding the growth rate of the PAAE by 2.7 percentage points.¹⁷

In addition to the growth in the average weekly benefit rate, the proportion of clients receiving the maximum benefit (\$413) was also analyzed. This proportion has increased over the years and reached 36.8% in 2005/06, up from 33.4% in 2004/05, reflecting increases in average wages.

For those with earnings above the MIE, since the maximum weekly benefit was \$413, the effective earnings replacement from EI was less than 55% of total earnings. In 2004, 26.4% of all claimants had an effective replacement rate that was lower than 55%. The average replacement rate for these claimants was 37%. Chart 7 shows the effective replacement rate by total earnings of these claimants.¹⁸ Note that average weekly benefits are calculated based on weekly insurable earnings, which can affect the effective replacement rate for those not working a full year.

Chart 7

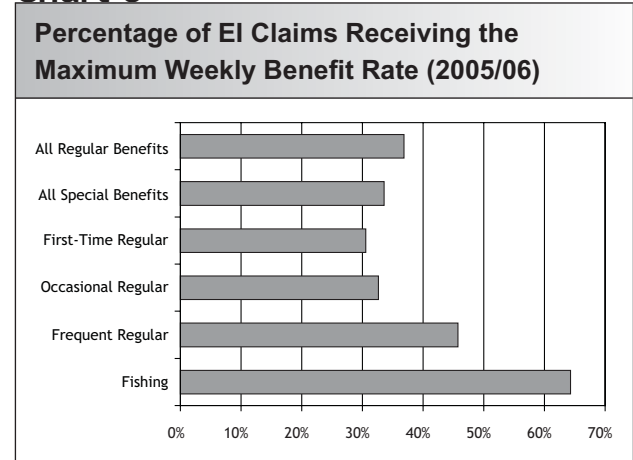


Compared to rates in other Organisation for Economic Co-operation and Development (OECD) countries, Canada's basic replacement rate is among the lowest, roughly comparable to rates in Belgium and the United States. A number of countries (Germany, France, the Netherlands, Portugal and Spain) offer higher maximum benefit and replacement rates, in the range of 65% to 70%, while Denmark, Finland, Sweden and Switzerland offer an 80% to 90% replacement rate. However, when coupled with other tax transfers and benefits, Canada's net replacement

rate as calculated by the OECD was among the highest. For unemployed married individuals with two children, Canada had the highest net replacement rate at 91%.¹⁹

Finally, Chart 8 shows that the likelihood of receiving the maximum weekly benefit rate is higher for fishing and frequent claimants than for other groups. In 2005/06, more than 64% of fishing claimants received the maximum weekly benefit rate compared to about 30% for first-time regular claimants.

Chart 8



2. Benefit Repayment

Effective in tax year 2000, the benefit repayment provision was modified. First-time claimants of regular or fishing benefits and all claimants who receive special benefits are exempt from the benefit repayment provision. The maximum repayment is the lesser of 30% of excess net income above the threshold of \$48,750 or 30% of their benefits.

For tax year 2004, 121,808 claimants repaid some of their EI benefits, an increase of 6.5% compared to the previous tax year (see Annex 2.15). Those claimants repaid a total of \$114.1 million of their EI benefits, 3.8% more than the \$109.9 million of EI benefits that was repaid for tax year 2003. This increase in benefit repayment is due in large part to the higher proportion of paid employees earning more than the threshold (\$48,750). For 2007, the threshold has increased to \$50,000, in line with the increase of the MIE to \$40,000.

In 2004, 109,980 men repaid EI benefits, accounting for 90.3% of claimants affected by the repayment provision.

¹⁷ The PAAE increased from \$32,427 in 1997 to \$37,800 in 2006, an increase of 16.6%.

¹⁸ The benefit repayment provision makes the effective replacement rate lower still for those earning more than \$48,750. The repayment provision is not taken into account in this analysis.

¹⁹ Marc Van Audenrode, et al., *Employment Insurance in Canada and International Comparisons* (Montréal: Analysis Group, forthcoming h).

However, the number of men affected by the repayment provision grew more slowly than the number of women, with increases of 8.1% for women and 6.4% for men. In 2004, 46.5% of claimants affected by the provision were between the ages of 25 and 44, down slightly from 48.1% in 2003. Meanwhile, the proportion of older workers affected by the provision increased from 20.3% in 2003 to 21.7% in 2004.

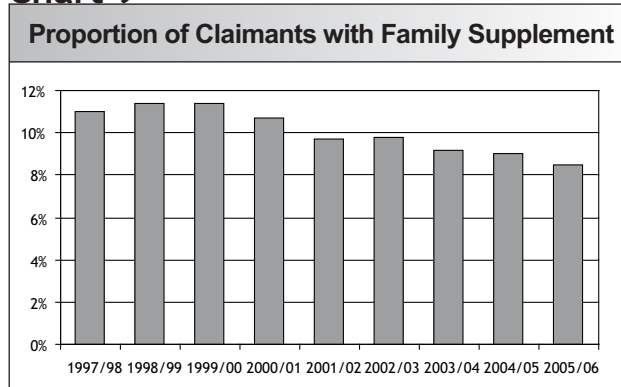
3. Benefits to Low Income Families: Family Supplement

Adequacy of EI benefits is also assessed by examining the effectiveness of the Family Supplement in providing additional income support to low income families with children.²⁰ The Family Supplement can increase the basic benefit rate of 55% to a maximum of 80% for claimants with low net family incomes of \$25,921 or less.²¹

As indicated in Chapter 2, approximately 154,700 individuals received the Family Supplement top-up in 2005/06, compared to about 167,000 in the previous reporting period, a 7.6% decrease.

The proportion of EI claimants receiving the Family Supplement top-up has declined in recent years, from 11.4% in 1999/00 to 8.5% in 2005/06 (Chart 9). The decline in the share of Family Supplement claims is due largely to the fact that family incomes have risen while the Family Supplement threshold has remained fixed.²²

Chart 9



In 2005/06, more than \$169 million in additional benefits was paid to low income families through the

Family Supplement, a decrease of 3.6% from 2004/05, with an average weekly top-up of \$43, unchanged from the previous reporting period. Total Family Supplement payments to women decreased by 2.1%, while payments to men decreased by 8.9%. However, payments to women aged 45 and over increased by 3.8% over the period.

Women continued to be the primary recipients of the Family Supplement, accounting for 68.4% of regular EI claims with the Family Supplement and 87.0% of special benefit claims with the Family Supplement. For all types of benefits, 13.6% of female claimants were entitled to the Family Supplement, in comparison to 3.9% of men who claimed EI. These figures were down somewhat from 2004/05.

Overall, claimants receiving the Family Supplement top-up used three more weeks of regular benefits (22.0 weeks) than those not receiving the Family Supplement (19.0 weeks). Consequently, Family Supplement recipients used a larger proportion of the weeks available to them: 69.5% versus 58.9%.²³

4. Regular Claim Duration

Regular EI beneficiaries are entitled to between 14 and 45 weeks of income support, depending on the number of insurable hours worked and the unemployment rate of the region in which they establish a claim. On average, regular claimants received 19.2 weeks of benefits in 2004/05,²⁴ compared to 19.3 weeks the previous year. The average EI claim paid \$5,712 in 2004/05, relatively unchanged from \$5,694 in 2003/04.

On average, regular beneficiaries collected less than two thirds of the weeks of benefits they were entitled to receive. In 2004/05, regular beneficiaries used 59.8% of their entitlement on average, down from 60.9% in 2003/04 (Chart 10). The proportion of entitlement used remained relatively stable through the economic slowdown of 2001/02 and the resumption of stronger growth in 2002/03. Longer term analysis indicates that, on average, the proportion of entitlement regular claimants use is down compared to the 1995/96 level (64.1%), even though maximum entitlement was 50 weeks in 1995/96, compared to 45 in the following years.

²⁰ This includes all claims types (regular, fishing and special).

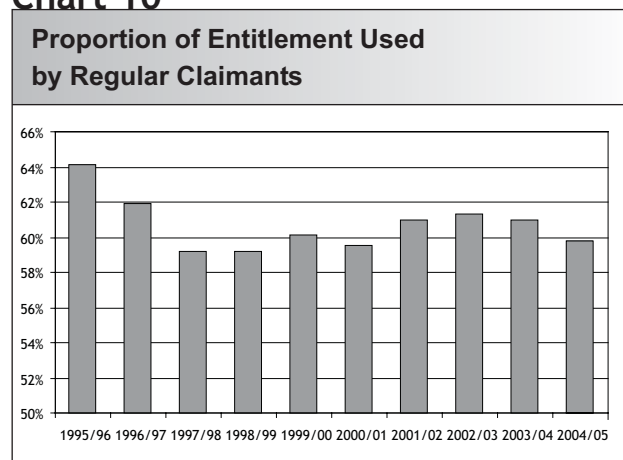
²¹ Like other claimants, claimants receiving the Family Supplement were subject to the maximum weekly benefit of \$413 in 2005/06.

²² HRSDC, *Family Supplement* (Ottawa: HRSDC, Audit and Evaluation Directorate, forthcoming i).

²³ In order to measure only completed claims, data and analysis on claim duration are for claims established in 2004/05.

²⁴ In order to measure only completed claims, data and analysis on claim duration are for claims established in 2004/05.

Chart 10



In 2004/05, the percentage of EI entitlement used was highest in Newfoundland and Labrador (66.8%), Prince Edward Island (65.5%), New Brunswick (63.7%) and Nova Scotia (63.3%). The percentage of entitlement used in Saskatchewan dropped to 56.1%, the lowest among provinces in 2004/05 and down from 59.6% the previous year. Claimants from Alberta had the second-lowest percentage of entitlement used, at 56.7%, down from 59.5% in 2003/04. In general, there was little difference in entitlement used by men and women. Men, on average, used 59.3% of their entitlement to regular benefits in 2004/05, a small decrease from 2003/04 (60.5%). Women used 60.4% of their entitlement on average, also decreased from the previous period (61.7%). Among all age groups, older workers used the highest percentage of their EI entitlement, at 67.4%, compared to 56.7% for youths. The proportion of entitlement used also varied somewhat by claim history, as first-time claimants used 62.1% of their entitlement to regular benefits in 2004/05, and frequent claimants used 57.8% of their entitlement on average.

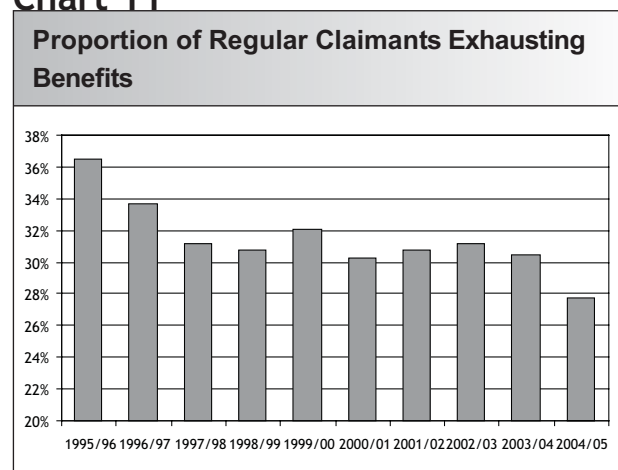
According to a study²⁵ prepared by HRSDC, the average duration of unemployment for regular EI claimants decreased steadily between 1993 and 2003, from 31 weeks to 21 weeks.

While the average duration of unemployment declined annually for all groups included in the analysis, durations of unemployment were higher in the territories and Atlantic provinces than elsewhere, higher for women than for men, higher for claimants aged 34 and under than 35 and over, and higher for claimants returning to the same employer following the period of unemployment. For example, claimants who were re-hired by the same employer were

unemployed for approximately 26 weeks, while those who found a job with a different employer were unemployed for an average of 21 weeks.

Another way to assess the adequacy of EI entitlement is to examine the degree to which claimants exhaust all weeks of benefits. For the second period in a row, the proportion of regular claimants exhausting benefits declined—a decrease of 2.7 percentage points to 27.8% in 2004/05. As seen in Chart 11, the proportion of regular claimants exhausting benefits remained well below the 1995/96 level (36.5%), indicating claimants are generally able to return to work before their entitlement runs out.

Chart 11



Though there is little difference in the average percentage of entitlement used by men and women, a larger proportion of women than men exhaust their benefits. In 2004/05, 30.7% of women and 25.8% of men used all the weeks of benefits they were entitled to receive. Compared to 2003/04, both genders experienced a decline in the proportion of individuals exhausting benefits. The higher exhaustion rate for women may be due to the fact that women, on average, are entitled to fewer weeks of benefits (32.4, versus 34.0 for men), since women generally have fewer hours of insurable employment, as they are more likely to work part time hours than are men.

Unlike previous periods, youths (under 25) did not have the lowest exhaustion rate (at 27.1%) among all age cohorts, as the exhaustion rate for workers aged 45 to 54 declined to 25.6%. Older workers (55 and older) had the highest exhaustion rate, at 34.0%. As previously mentioned, older workers tend to have a longer duration of

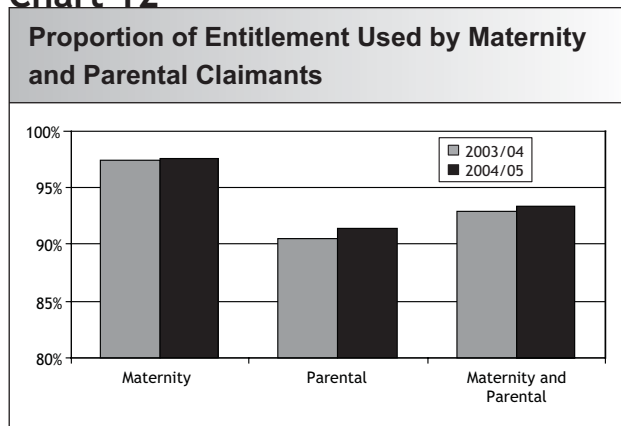
²⁵ HRSDC, *Distribution of Unemployment Duration for Regular EI Claimants* (Ottawa: HRSDC, Audit and Evaluation Directorate, forthcoming j).

unemployment than other age groups. In 2004/05, the exhaustion rate among first-time claimants was almost twice that of frequent claimants (35.5% versus 19.0%).

5. Special Benefits Claim Duration: Maternity and Parental Benefits

Analysis for 2004/05²⁶ indicates that almost all of the available entitlement to EI maternity and parental benefits is being collected (Chart 12). When parental benefits are combined with maternity benefits and the waiting period, administrative data for 2004/05 claims indicate that parents used 93.5% of the full year available to them, which is comparable to 92.9% in 2003/04. Parental benefits provide families with increased flexibility to care for their newly born or adopted children by replacing lost employment income for an extended period of time.

Chart 12



It appears that lower income claimants can take advantage of the enhanced maternity and parental benefits to the same extent as higher earners, because of the Family Supplement. Beneficiaries receiving the Family Supplement collected, on average, almost the same number of weeks of maternity and parental benefits (46.4 weeks) in 2004/05 as those not receiving the Family Supplement (46.7 weeks). This suggests the Family Supplement top-up is allowing lower income workers to stay home with their children for as long as higher income workers.

6. Combining Special Benefits

Effective in 2002, the maximum number of combined weeks of special benefits increased from 50 to 65 to ensure full access to special benefits for biological mothers who claim sickness benefits before or after maternity or parental benefits. With the introduction of compassionate care benefits in 2004, the maximum number of combined weeks of special benefits was revised to 71 weeks, under certain circumstances.²⁷

For fiscal 2004/05,²⁸ 16,930 biological mothers, or 4.6% of all women who received special benefits, received more than 50 weeks, up from 16,030 in 2003/04. Among those mothers, nearly three quarters were first-time claimants, and about three quarters were aged 25 to 44.

7. Special Benefit Claim Duration

7.1 Sickness

EI provides up to 15 weeks of sickness benefits to help clients who are absent from work due to short-term illness, injury or quarantine. Analysis of the adequacy of sickness benefits is based on the number of weeks of sickness benefits collected. On average, in 2005/06, claimants collected 9.5 weeks, or 63.5% of the maximum entitlement, for an average total of \$2,667 paid in sickness benefits. In addition, 32.6% of sickness claimants collected the maximum 15 weeks of benefits, which resulted in an average total amount of \$4,200. Among older workers, 41.3% collected all 15 weeks of benefits.

Over the last six reporting periods, the proportion of sickness claimants using all 15 weeks has been relatively stable (Chart 13). It should also be noted that 48.6% of sickness claimants collected between 11 and 15 weeks of benefits, 21.8% received between six and 10 weeks, and 29.6% collected between one and five weeks.

It should also be noted that employers who make private wage-loss replacement plans available to their employees can participate in the EI Premium Reduction Program. Under this program, EI premium reductions are granted because private wage-loss replacement plans are a substitute for EI sickness benefits. Accordingly, when replacement plans qualify, employers' EI premiums are reduced. In 2006, 34,000 employers received premium

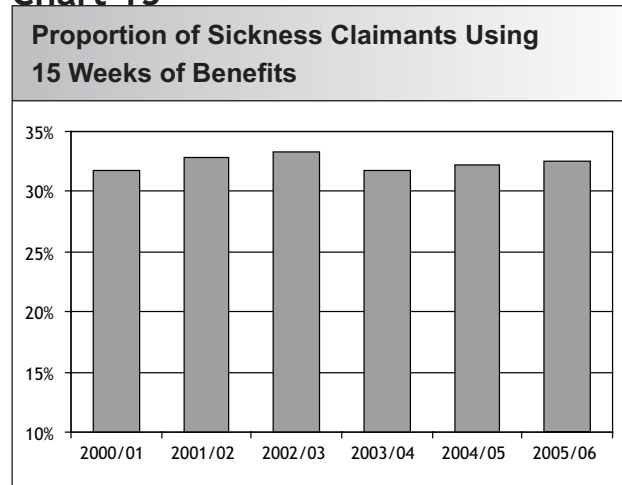
²⁶ In order to measure only completed claims, data and analysis on claim duration are for claims established in 2004/05.

²⁷ Combining weeks of special benefits to reach the maximum of 71 weeks is possible if the weeks of special benefits are consecutive and uninterrupted by any period of regular benefits.

²⁸ In order to measure only completed claims, data and analysis on claim duration are for claims established in 2004/05.

reductions through this program, about the same number as in 2005. However, the total amount of premium reductions increased between 2005 and 2006, from \$604 million to \$649 million.²⁹

Chart 13



7.2 Compassionate Care Benefits

In 2005/06, there were 5,180 new compassionate care benefits (CCB) claims, up 8.3% from 2004/05. Benefits paid also increased, by 12.8%, to \$7.8 million. Please note that the regulatory change that broadened the family definition for CCB claimants, which was made in June 2006 (see Chapter 2), fell outside the 2005/06 reporting period.

The majority of claimants for CCB were women (73.5%). On average, in 2005/06, claimants received benefits for 4.7 weeks, with about 57% of claimants receiving benefits for the entire entitlement of six weeks. The average weekly benefit for men was much higher (\$361) than for women (\$306), though both increased from the previous reporting period (\$357 and \$299). As the average duration was similar for men and women, the average total benefit for men was also higher (\$1,679) than for women (\$1,385). This difference between men and women reflects higher average earnings among men (as mentioned in Chapter 1).

The introduction of CCB was accompanied by job protection under federal and most provincial labour codes. Canada is one of few countries in the world to offer compassionate care benefits to all workers with

insurable employment. Among the handful of other countries that do offer similar benefits, many restrict them to parents who are caring for sick children.

The CCB has been the subject of a program evaluation. Low take-up of the benefit is consistent with experience in the few other countries that offer a similar benefit. It appears employees may prefer to deal with difficult family situations by making informal arrangements with their employers, working fewer hours or taking family leave, rather than relying on EI.

8. Trends in Seasonal Claims

In 2005/06, there were an estimated 410,030 seasonal regular claimants³⁰ in Canada. Seasonal claimants were mainly men (63.5%) and more than half were aged 45 and over (53.5%). Only 2.7% of all seasonal regular claimants were youths (24 and younger).

There were seasonal claimants in all economic regions: Montréal (9.2% of total), Newfoundland and Labrador (8.6%), Central Quebec (6.9%), Lower St. Lawrence (6.3%), Restigouche-Albert (6.2%) and Toronto (4.5%) were among the regions with the highest concentrations. This indicates that seasonality among claimants affects both urban and rural regions, which contrasts with the stereotype of seasonal claimants living only in regions with poor overall economic conditions.

It should also be noted that there were seasonal claimants in all industries, with a concentration in construction (21.6% of all seasonal claimants), manufacturing (13.9%), educational services (13.5%), and agriculture, forestry, fishing and hunting industries (10.7%).

In 2005/06, almost three quarters (72.9%) of seasonal claimants worked at least 11 weeks more than the minimum entrance requirement prior to their claim, compared to 78.0% for all regular claimants. A closer analysis of longer work spells shows that just 25.1% of seasonal claimants had a duration of insured employment of more than six months longer than the minimum entrance requirement, compared to 39.4% of regular claimants. This indicates that seasonal claimants tend to work a shorter period of time than regular claimants before establishing EI claims. In terms of claim characteristics, the average number of weeks of entitlement (33.8 for seasonal claimants compared to 33.3 for all regular

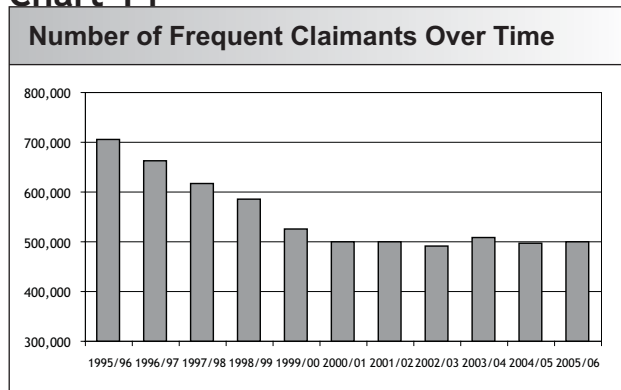
²⁹ HRSDC, *Report of the Chief Actuary on the Employment Insurance Rates of Premium Reduction for Registered Wage-Loss Replacement Plans* (Ottawa: HRSDC, Actuary's Office, 2007).

³⁰ Seasonal claimants are frequent claimants who started previous claims at about the same time of year as their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

claimants) and the number of weeks of benefits used (18.6 versus 19.2 for regular) were comparable in 2004/05.³¹ The average total amount of regular benefits paid was also similar for seasonal claimants and for all regular claimants, at \$5,951 and \$5,712, respectively.

As mentioned in Chapter 2, frequent claimants are largely associated with seasonal work. In fact, 82.0% of the 500,340 frequent regular claimants in 2005/06 had a seasonal pattern in their claim history. The absolute number of frequent claimants has followed a downward trend since 1995/96 (Chart 14).

Chart 14



An HRSDC research paper³² indicates that, since 1996, there has been an upward trend in the percentage of first-time youth claimants who go on to become repeat users. The degree of future repeat use among first-time youth claimants is highest for males, Atlantic province residents, and those employed in the primary, construction and education industries.

Evidence suggests that youth repeat use is determined by two main factors: the industry in which youths are employed and the strength of the local labour market.

As described in the *2005 Monitoring and Assessment Report*, some seasonal claimants have a combined work-benefit period of less than 52 weeks per year. This can result in a period where income from neither work nor EI is available to these workers, if the seasonal job to which they are returning is not yet available. These individuals often face a limited work season, sporadic employment durations and, in many areas, a lack of off-season employment alternatives.

Under a pilot project that ran from June 6, 2004, to June 4, 2006, EI regular claimants living in 24 affected EI economic regions had access to five additional weeks of entitlement (up to the maximum of 45). In June 2006, this project was replaced with a new pilot project to run for 18 months that continues to test whether an additional five weeks of benefits helps address the annual income gap faced by seasonal workers whose weeks of work and EI benefits do not provide income throughout the year, and whether this approach has any adverse labour market effects on other EI claimants. Results from the evaluation of this pilot project will be included in future *Monitoring and Assessment Reports*.

II. Promoting Work Force Attachment

The EI program includes features intended to strengthen the link between work effort and benefits. While several features of the program encourage labour market attachment, the analysis in this chapter focuses on three specific elements: the divisor, the Working While on Claim provision and the Small Weeks provision.

1. Divisor

At the time a claim for EI benefits is filed, a claimant's weekly benefits are determined by dividing total earnings in the last 26 continuous weeks by the number of weeks worked in the last 26 continuous weeks, or by the minimum divisor for the EI region in which the claimant lives, whichever is greater. The "divisor" is two weeks longer than the minimum entrance requirement, thus encouraging claimants to work two weeks beyond their minimum entrance requirement in order to be entitled to full benefits.

A pilot project in regions of high unemployment is testing the impacts of an alternative method of calculating weekly benefits, based on a claimant's 14 weeks of highest earnings in the previous year. This pilot project, implemented in October 2005, changes the minimum divisor provision in affected regions.

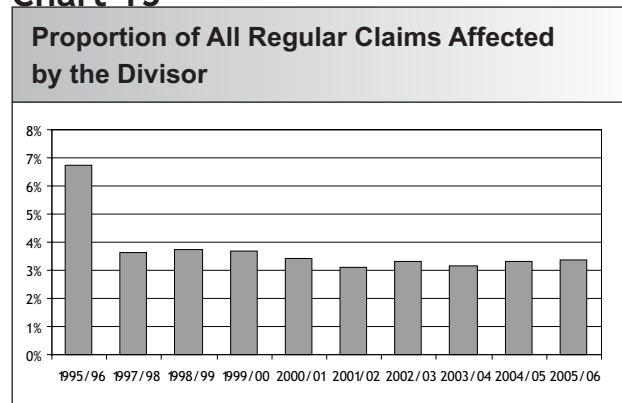
As noted in previous reports, the proportion of claimants who did not work at least two weeks beyond their minimum entrance requirement has been low and stable between 3%

³¹ In order to measure only completed claims, data and analysis on claim duration are for claims established in 2004/05.

³² HRSDC, *The Repeat Use of EI Benefits by Youths* (Ottawa: HRSDC, Audit and Evaluation Directorate, forthcoming k).

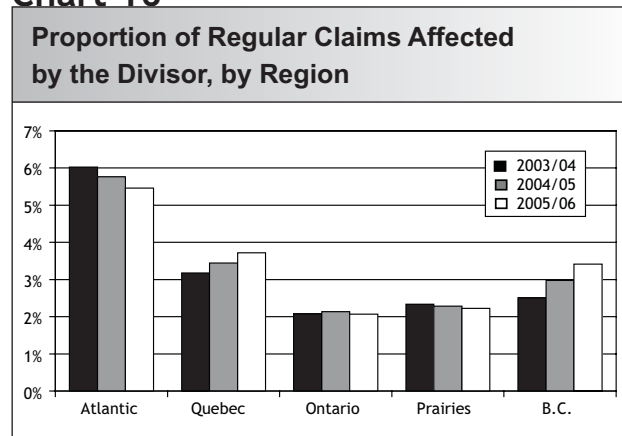
and 4% for many years. The vast majority of claimants accumulate sufficient hours to ensure full entitlement to benefits (Chart 15, Annex 2.4).

Chart 15



As indicated in Chart 16, the Atlantic provinces and Quebec account for higher proportions of claimants receiving less than their maximum weekly benefits due to the divisor than do Ontario and the Western provinces. It is noteworthy that the share of claimants in Atlantic Canada with insured weeks between the minimum entrance requirements and the divisor dropped from 19.5% in the mid-1990s to 7.0% following the introduction of the minimum divisor, where it has since remained relatively stable. In 2005/06, nationally, 4.4% of regular claims from older workers, and 4.2% of claims from frequent claimants, were affected by the divisor.

Chart 16



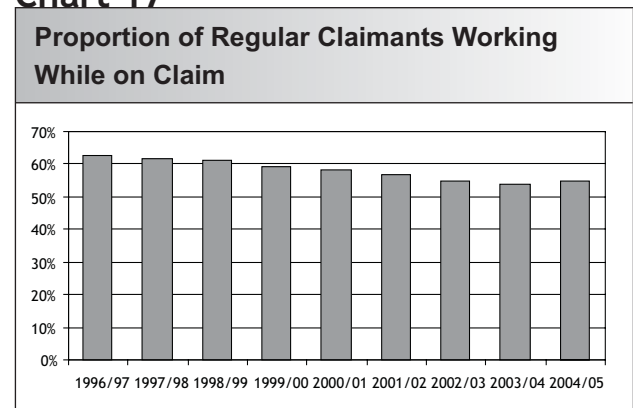
2. Working While on Claim

The Working While on Claim provision is designed to encourage work force attachment by allowing claimants to

accept available work without being penalized. Claimants may earn the greater of 25% of their weekly benefit rate or \$50, without a reduction in their weekly benefit rate. Employment earnings above the allowable earnings threshold are deducted dollar for dollar from the claimant's weekly benefit. If a claimant's weekly benefit is reduced to zero, then that week of entitlement may be deferred for later use within the benefit period. A pilot project, implemented in December 2005 in regions of high unemployment, is testing the impact of increasing the threshold to 40% of the benefit rate or \$75, whichever is greater.

In 2004/05,³³ for the first time since 1996/97, the proportion of regular claimants working while on claim increased slightly to 55.0%, from 53.9% in 2003/04 (Chart 17).

Chart 17



While the long-term small decline in working while on claim has occurred among all types of EI claimants (first time, occasional and frequent), there has been a slight evolution in the composition of those working while on claim. In 2004/05, frequent claimants accounted for 41.9% of those working while on claim, whereas they made up 46.5% of the total in 1996/97. First-time claimants represented 26.5% of those who worked while on claim in 2004/05, up from 21.3% in 1996/97. The proportion of occasional claimants reporting work while on claim has remained relatively steady around 32%.

Despite this shift, frequent claimants are nonetheless more likely to work while on claim than first-time or occasional claimants. Nearly two out of three frequent EI claimants (64.7%) worked while on claim in 2004/05,

³³ Analysis of the Working While on Claim provision has been lagged by one year to ensure that claims are completed. The definition of working while on claim includes all claimants who earned income during their EI benefit period.

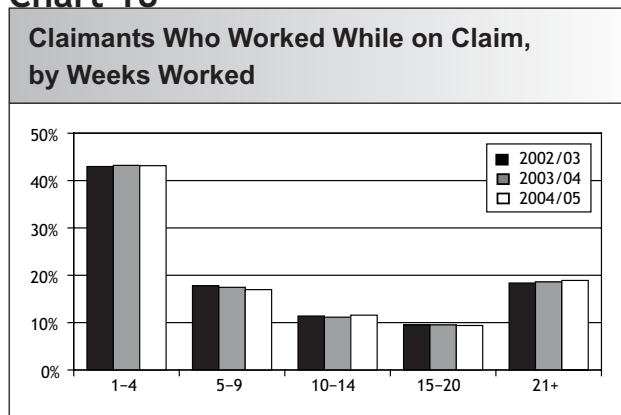
while fewer than half of first-time claimants (45.4%) did so. Among occasional claimants, 53.7% worked while on claim in 2004/05.

In 2004/05, almost two thirds of all EI weeks worked while on claim (65.0%) were full weeks for which no EI benefits were paid. Given that no benefits were delivered, such weeks do not count as weeks of EI entitlement used and may be deferred for later use within the benefit period. Only a small proportion of weeks worked while on claim (9.1%) had earnings below the allowable earnings threshold, while just over one quarter (25.8%) of weeks worked while on claim had earnings greater than the allowable earnings, yet below the weekly benefit, such that EI benefits were reduced for each dollar above the allowable earnings threshold.

Frequent claimants were the least likely to work a partial week while on claim in 2004/05, as 74.9% of the weeks frequent claimants worked while on claim were full weeks. Conversely, first-time claimants were the most likely to work a partial week while on claim, as 39.3% of their weeks worked while on claim were weeks with earnings greater than the allowable earnings, yet below the weekly benefit. Another 12.8% of weeks they worked while on claim were weeks for which they received full benefits.

Among the 776,760 claimants who worked while on claim in 2004/05, 43.2% worked fewer than five weeks (Chart 18). First-time, occasional and frequent claimants are almost equally represented in this category. However, as the number of weeks worked while on claim increased, the proportion of frequent claimants also increased, rising from 36.1% of those working on claim for one to four weeks, to 50.6% of claimants who worked on claim for 21 weeks or more.

Chart 18



3. Small Weeks

To encourage individuals to accept all available work, the Small Weeks provision excludes from the benefit calculation those weeks in the rate calculation period with earnings of less than \$225, or “small weeks.” It should be noted that, as of November 2005, the Small Weeks provision does not apply in 23 EI regions affected by the Best 14 Weeks pilot project. Accordingly, the following analysis is based on the 35 EI regions not affected by the pilot project. In 2005/06, 11.2% (133,908 claims) of all EI claims established were affected by the Small Weeks provision, which represents a slight decrease compared to the previous reporting period (12.0%).

The exclusion of small weeks from the benefit calculation increases claimants’ weekly benefit rate. On average, in 2005/06, weekly benefits for claimants with small weeks were \$240, or \$8 higher than they would have been without the Small Weeks provision.

The average top-up received varies by region. For instance, in 2005/06, EI claimants in Quebec received, on average, weekly benefits \$10 higher than they would have been without the provision. In contrast, EI claimants in Alberta received average weekly benefits that were \$5 higher with the Small Weeks provision. In 2005/06, Atlantic Canada and Quebec continued to represent most small weeks claims.

The Small Weeks provision appears to be most beneficial for women and youth. In 2005/06, women accounted for 64.7% of the EI claims affected by small weeks, up from 63.3% in 2004/05. Of all EI claims established by women, 14.4% included small weeks, while 7.9% of all EI claims established by men included small weeks. For youth, the proportion of all EI claims established with small weeks was 16.0% in 2005/06, compared to 10.3% for prime-age workers aged 25 to 54, and 11.9% for older workers.

Overall, the long-term increase in claims affected by the small weeks provision suggests it is achieving what it set out to do: allowing individuals to accept all available work and strengthening their attachment to the labour force.

4. Pilot Projects

Pilot projects allow the government to test a potential improvement to provisions of the *Employment Insurance Act* before considering a permanent change. EI pilot projects in regions of high unemployment (10% or more) provide valuable information on the effects of program changes in

labour markets where EI plays a particularly important role. Recent pilot projects in regions of high unemployment are related to extended EI benefits, working while on claim, NEREs and the benefit rate calculation. Together, the pilot projects improve access to and the generosity of EI in regions of high unemployment. Results from evaluations of the pilots will be included in future *Monitoring and Assessment Reports*.

4.1 Extended EI Benefits

As of June 2006, the Extended EI Benefits pilot project has increased EI income support by providing access to five additional weeks of benefits to EI claimants in selected regions, up to a maximum of 45 weeks of benefits. The pilot will run for 18 months and replaces a previous pilot project that also provided five additional weeks of benefits to EI claimants. The pilot project continues to test whether an additional five weeks helps to address the annual income gap faced by seasonal workers whose weeks of work and EI benefits are not sufficient to provide income throughout the year, and whether it has any adverse labour market effects on other EI claimants.

4.2 Working While on Claim

In areas of high unemployment, the three-year Working While on Claim pilot project is testing the impact of increasing the allowable earnings threshold from \$50 or 25% of the benefit rate (whichever is greater) to \$75 or 40% of the benefit rate (whichever is greater), before the dollar-for-dollar deduction from weekly benefits takes effect. The pilot became available to regular, fishing, parental and compassionate care benefit claimants in December 2005.

4.3 NEREs

The three-year NERE pilot project tests the impact of lowering the entrance requirements that NEREs face. Under the project, requirements to qualify for regular EI benefits are lowered from 910 hours of insured work to 840 hours, in combination with a link to EI Part II employment programming. The pilot project has been available to regular benefit claimants in affected regions since December 2005.

4.4 Best 14 Weeks

The three-year Best 14 Weeks pilot project in regions of high unemployment (10% or more) tests an alternative method for calculating weekly EI benefits. Under the pilot project, participants' benefits are calculated using the 14 highest weeks of earnings during the 52 weeks preceding a claim for benefits or during the period since the beginning of their last claim, whichever is shorter. The calculations are based on additional information provided by employers. The minimum divisor still applies in regions participating in the pilot project. However, because weekly benefits are based on the best 14 weeks of earnings, the net effect of this change is a flat divisor of 14, rather than the current divisor that varies depending on the regional rate of unemployment. This pilot project was implemented in October 2005.

III. Evaluation of Employment Benefits and Support Measures

The terms of Labour Market Development Agreements (LMDAs) require evaluations of Employment Benefits and Support Measures (EBSMs). All LMDAs stipulate a two-phased approach that includes both a formative and a summative evaluation. Formative evaluations examine issues of program design, delivery and implementation, while summative evaluations measure net impacts and determine the extent to which programs successfully achieve their goals, remain relevant to government priorities and are cost effective.

1. Evaluation Design

The core summative evaluation methodology relies on data from client surveys, on EI and Social Assistance (SA) records, and, in some jurisdictions, on tax data. Based on the pre- and post-program experiences of participants in comparison to similar individuals who did not participate in the program, incremental impacts (results attributable to the program) are measured. In calculating net impacts, the evaluations focus on start and end dates of program participation,³⁴ and report program results based on the principal EBSM clients used.

³⁴ Based on administrative data, a unit of analysis called an action plan equivalent (APE) is derived and used in summative evaluations. It is defined as either a single intervention, or a series of interventions that take place no more than six months apart. The APE used in the summative evaluation conducted by the Province of Quebec was defined as either a single intervention, or a series of interventions that take place no more than four months apart.

2. Status of Summative Evaluations

Formative evaluations were completed for all jurisdictions between 1999 and 2002. The summative evaluation phase is currently underway, with the six jurisdictions completed—British Columbia, Alberta, Ontario,³⁵ Quebec, Nunavut, and Newfoundland and Labrador—accounting for the majority of federal government investment in active employment measures. The reports for Quebec (2003 and 2005) and British Columbia (2004) have been published. The reports for Nunavut and for Newfoundland and Labrador are expected to be published by summer 2007.

Significant progress has been made on the summative evaluations in Saskatchewan and New Brunswick, with preliminary findings expected by spring 2007. Evaluation activities are underway in Nova Scotia, Prince Edward Island and Yukon, with preliminary findings expected by fall 2007. Summative evaluations are also being launched in Manitoba and the Northwest Territories, with findings expected in 2008.

3. Key Findings

The following summary of results is based on net impact findings from five of the six completed³⁶ summative evaluations—British Columbia, Alberta, Ontario, Quebec, and Newfoundland and Labrador. To situate Canada's evaluation findings within a broader context, a brief overview of outcomes from international evaluations of active measures implemented in other OECD countries is also included.

The impact summary table (Table 3) examines four key performance indicators—employment, earnings, and use of EI and SA—by client and intervention types.

4. Major Trends

Based on the net impact estimates available to date, EBSMs appear to yield mixed results, and where these results are positive, they are modest in their net impact on participants. The following key findings have been identified.

- Skills Development (SD) was effective in increasing earnings for active clients—individuals with recent

Table 3

EBSM Impact Summary								
INDICATOR	CLIENT TYPE							
	ACTIVE				FORMER			
	Program Type ³⁷				Program Type			
	SD	TWS	JCP	SE	SD	TWS	JCP	SE
Employment	Some positive impacts	Some positive impacts	Non-significant results	Mostly positive impacts	Mixed results	Mostly positive impacts	Mostly non-significant results	Mostly positive impacts
Earnings	Mostly positive impacts	Some positive impacts	Mixed results	Non-significant results	Mixed results	Mostly positive impacts	Mostly negative impacts	Mixed results
EI Use	Some positive impacts (some decreases in EI use)	Mixed results	Some positive impacts (some decreases in EI use)	Positive impacts (decreases in EI use)	Some positive impacts (some decreases in EI use)	Mostly negative impacts (increases in EI use)	Mixed results	Mostly positive impacts (decreases in EI use)
SA Use	Some positive impacts (some decreases in SA use)	Some positive impacts (some decreases in SA use)	Some positive impacts (some decreases in SA use)	Mixed results	Non-significant results	Mostly positive impacts (decreases in SA use)	Some positive impacts (some decreases in SA use)	Some positive impacts (some decreases in SA use)

³⁵ Ontario has recently signed a transfer LMDA to deliver EBSMs. The agreement took effect on January 1, 2007.

³⁶ This discussion focuses on evaluations in which net impacts of EBSMs were assessed. In Nunavut, the formative and summative evaluations were combined; however, net impacts could not be measured due to methodological constraints.

³⁷ Refer to Chapter 3 and Annex 3 for EBSM program descriptions and overview.

Notes on Table 3

Positive Impacts	All net impact estimates showed statistically significant positive impacts, based on results for five jurisdictions.
Mostly positive impacts	Statistically significant positive net impacts occurred in the majority of jurisdictions.
Some positive impacts	One or two jurisdictions showed a statistically significant positive net impact, with all other jurisdictions showing a non-significant result.
Mixed results	There was no dominant trend: a mix of statistically significant positive net impacts, statistically significant negative net impacts and non-significant results.
Mostly negative impacts	Statistically significant negative net impacts occurred in the majority of jurisdictions.
Mostly non-significant results	The majority of jurisdictions showed non-significant results, with one jurisdiction showing a negative net impact.
Non-significant results	All evaluations showed non-statistically significant results. Program impacts may have occurred, though not to a significant extent based on the sample analyzed. Impact estimates may have been constrained by small sample sizes, particularly for former clients in SE, JCP and TWS. Small sample sizes reflected the low number of participants in a specific EBSM.

labour market attachment. It also had limited positive impacts related to increasing employment and reducing use of EI and SA.

- Targeted Wage Subsidies (TWS) appeared to be the most effective intervention for former clients, with the majority of jurisdictions reporting positive impacts on employment, earnings and reductions in the use of SA. Given that these clients may have been out of the labour market for some time, the practical job experience this intervention is designed to provide may have served the needs of these clients.
- Self-Employment (SE) had positive effects for both active and former clients, particularly in regard to increasing employment and decreasing EI use. Earnings increases, however, were not found in the short to medium term, which is not surprising, given the long time often required to develop stable, income-generating businesses.

5. Findings by Intervention Type

The following is a summary of results for five EBSMs.

5.1 Skills Development

Some positive results were found for active clients, with the majority of jurisdictions reporting earnings increases and some positive impacts on employment and the use of EI and SA. There was no dominant trend in results for former clients who participated in SD. Overall, SD participants reported a high level of satisfaction, possibly due to the program's emphasis on individual client needs.

5.2 Targeted Wage Subsidy

Among former clients, TWS delivered mostly positive results with respect to employment, earnings and use of SA. The only exception to these positive findings was the increased use of EI. This trend emerged less strongly among active clients, with some positive results with respect to employment, earnings and use of SA, but mixed results regarding use of EI. The hours worked under this program are insurable, and thus help participants build entitlement for a future EI claim. Some TWS clients were kept on by their employers after the subsidy program ended—a positive indicator of clients' strengthening labour market attachment and of the program's potential to meet employer needs.

5.3 Self-Employment

SE appeared to be effective on some indicators, showing mostly positive impacts on employment and decreased use of EI for both client groups. Former clients reported some positive impacts on use of SA, while active clients showed mixed results. SE did not have positive impacts on earnings for either client group. While there were reductions in EI use, it should be noted that SE participants do not pay EI premiums and thus do not qualify for benefits. Participants in the SE program reported positive outcomes in terms of skills gained and satisfaction levels.

5.4 Job Creation Partnerships (JCP)

JCP results showed no dominant trend. Some positive impacts were reported for active clients who had decreased their use of EI and SA, but employment and earnings results were non-significant or mixed. For former clients,

JCP had some positive impacts on SA use, but the remaining indicators showed negative, mixed or non-significant results.

5.5 Employment Assistance Services (EAS)

EAS are generally of short duration and relatively inexpensive. They are often used in combination with another employment benefit. Post-program impacts of EAS are not measured for clients accessing EAS only. EAS clients reported strong levels of satisfaction, job readiness and interest in further training.

6. Other Results

Summative evaluations reported generally high levels of client satisfaction and increased skill levels as a result of EBSM participation, which generated interest in further skills growth. However, in regions and communities facing weaker labour market conditions, this was not always the case. Some evaluations noted the need to better address labour market requirements, including those of employers, and of clients in remote and rural areas. Evaluations also underscored the issue of access. Given that EBSM eligibility is based on EI entitlement, access is limited for some clients, particularly those with weak labour market attachment. Some evaluations also highlighted low participation rates in EBSMs among less-skilled people and individuals facing barriers to labour market participation.

7. International Comparisons

In 2001, the OECD conducted a review of evaluation findings among OECD member nations, examining what interventions worked and did not work, and for whom.³⁸ The review concluded that active labour market programs had limited effects on ending high unemployment or ameliorating poor labour market conditions.

Findings generally showed small to modest net impacts for most programs, with certain interventions working better than others: private employment subsidies were more effective than public training programs or direct job creation initiatives; public training programs worked best for women but showed mixed results for men; self-employment programs reported successful outcomes in some cases; and job creation in the public sector did not help unemployed people gain regular employment.

The EBSM findings show some similarities to the international findings in that TWS worked best, followed by SD and SE. JCP results varied widely; no clear patterns emerged to serve as a basis for comparison with international findings. It is important to note that the wide range of impacts reported in the EBSM summative evaluations are not out of line with these findings despite the different methodologies used in other countries.

The mixed pattern of EBSM results suggests that local labour market conditions and client characteristics may affect program effectiveness.

8. Management Action Plans for Improving Results

A management action plan (MAP) is an integral component of HRSDC evaluation reports. The primary purpose of the MAP is to demonstrate how evaluation findings will contribute to policy and program improvements. To do so, it identifies and highlights the significance of key findings and sets out a plan for action. HRSDC, Service Canada, and the provinces and territories develop MAPs for LMDA and EBSM evaluations.³⁹

The currently available MAPs identify concrete actions to address the evaluation findings and propose processes for implementing them. Overall, these actions focus on the following:

- improving client access to programs;
- determining how participation outcomes for specific client groups can be improved;
- examining ways to better address the human resources needs of employers;
- enhancing program flexibility to meet local labour market needs; and
- enhancing program outcomes measurement and increasing the relevance of performance indicators.

Ongoing work coordinated between the various areas of responsibility continues to identify, implement and monitor concrete responses. From an operational perspective, Service Canada and British Columbia have taken steps to coordinate program delivery to eliminate duplication and overlap. An example is the joint work by the LMDA partners to coordinate British Columbia's

³⁸ John P. Martin and David Grubb, *What Works and for Whom: A Review of OECD Countries' Experiences with Active Labour Market Policies* (Paris: OECD, 2001).

³⁹ Quebec has sole responsibility for evaluations and is not required to develop a MAP.

Skills Connect program and Service Canada's EAS to better meet the needs of recent immigrants. The need for, and support of, such cooperation is reflected in regional and local planning priorities.

IV. EI and the Workplace

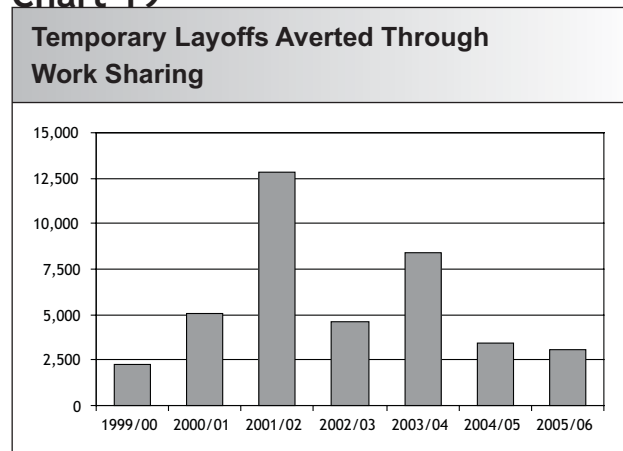
1. Work Sharing

The Work Sharing provision is intended to prevent layoffs by redistributing work among employees of a firm. Work Sharing provides income support to workers eligible for EI benefits who are willing to work a temporarily reduced work week when there is a reduction in the normal level of business activity that is beyond the control of the employer.

As mentioned in the previous report, Work Sharing has proven useful in supporting the labour market through times of unexpected labour market interruptions. Firms benefit by retaining skilled workers, thus reducing their hiring and training costs over time. Employee participants experience less stress and fewer difficulties than comparison groups of unemployed workers.

In 2005/06, the estimated number of temporary layoffs averted through Work Sharing was 3,094.⁴⁰ Still, some layoffs averted by the program may occur after agreements expire. In the context of a relatively strong economy and low unemployment rates, use of the Work Sharing provision declined and the number of layoffs averted decreased by 9.2% (Chart 19).⁴¹

Chart 19



⁴⁰ These are provisional data, subject to revision.

⁴¹ HRSDC, *Usage of the Work Sharing Program, 1989/90 to 2005/06* (Ottawa: HRSDC, Audit and Evaluation Directorate, forthcoming I).

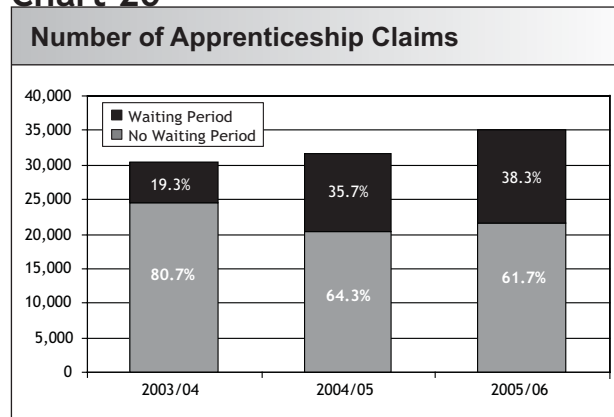
2. Apprentices

In an increasingly global marketplace, research and development evolve rapidly and ongoing skills training is critical to helping businesses stay competitive. Apprenticeships allow workers to acquire new skills that are immediately applicable in the workplace during short, frequent sessions. This approach helps firms remain more competitive.

The EI Program facilitates apprenticeship by providing benefits to apprentices in approved courses during periods of classroom training. Since July 2002, to support apprentices and encourage ongoing skills development, apprentices who are collecting EI while away from work on training have been required to serve only one two-week waiting period per apprenticeship, even if the apprenticeship program includes multiple separate training segments.

In 2005/06, 34,970 apprenticeship claims were established, an increase of 10.6% over the previous reporting period. Of the apprenticeship claims in 2005/06, 13,410 (or 38.3%) were not subject to a waiting period, which is comparable to the proportion in the previous reporting period (Chart 20). Almost all apprenticeship claimants were younger than 45 years of age, and roughly half were under the age of 25. Men accounted for 96.4% of apprenticeship claims in 2005/06 (33,700).

Chart 20



In both 2004/05 and 2005/06, a large majority of apprenticeship claims (about 83%) were made in one of three provinces: Alberta, Ontario or British Columbia. In 2005/06, Alberta had 13,200 claims, Ontario 9,400 and British Columbia 6,560. Almost 72% of apprentices were

employed in one of three industries: construction, with 18,040 claims (51.6%); manufacturing, with 4,090 claims (11.7%); and retail trade, with 3,030 claims (8.7%).

Total benefits paid to apprenticeship claimants increased to \$105.0 million in 2005/06, while apprentices received an average 8.8 weeks of benefits, lower than the average 9.2 weeks in 2004/05. The average weekly benefit was \$361, and 46.6% of apprenticeship claimants (16,290) received the maximum weekly benefit of \$413. In comparison, the average weekly benefit for all regular benefits was \$324.

V. EI and the Economy

1. Income Distribution

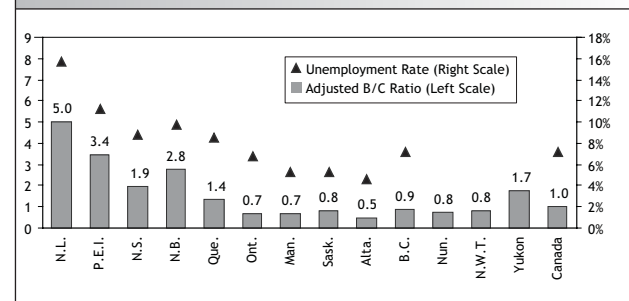
The EI Program plays a redistributive role in the Canadian economy. As reported in previous *Monitoring and Assessment Reports*, the program results in a redistribution of earnings from high earners to lower earning individuals.

An analysis based on 2004 income tax data⁴² indicates that the EI Program also results in some income redistribution across regions and industries. This analysis is based on the ratio of regular benefits to contributions to the program through EI premiums (the B/C ratio), adjusted so the overall Canadian ratio is equal to one.⁴³ In a given region or industry, an adjusted B/C ratio higher than one implies that the region or industry received relatively more regular benefits than it collected in premiums from employers and employees, compared to the national average. On the other hand, an adjusted B/C ratio below one indicates relatively positive economic conditions and shows that relatively more was collected in premiums than was paid in regular benefits.

As these ratios indicate, the program provides relatively more support to provinces and territories with higher unemployment rates. In 2004, the Atlantic provinces, Yukon and Quebec had adjusted B/C ratios higher than one (Chart 21 and Annex 2.17). Provinces with an adjusted B/C ratio lower than one were more likely to have a lower unemployment rate.

Chart 21

Adjusted Benefits-to-Contributions Ratio (Regular Benefits), 2004 (Canada=1.0)



Sources: Canada Revenue Agency, 2004 T4s with employment income, EI administrative data; Labour Force Survey, which does not cover the territories.

Annex 2.17 also indicates the extent to which the EI Program redistributes income between industries. Data show that industries characterized by more seasonal employment than average had higher adjusted B/C ratios. For example, agriculture, forestry, fishing and hunting (6.3), and construction (2.8) had the highest adjusted B/C ratios in 2004.

2. Income Stabilization

The EI Program provides an offset for income losses and thus reduces income volatility and stabilizes purchasing power for individuals. One recent study analyzes the impact of EI on earnings instability for different types of families (two-parent families, lone parents, and unattached men or women), by income and by age.⁴⁴ This study finds that EI reduces instability for all two-parent families in the bottom third of the income distribution and has the largest mitigating effect among the youngest couples (husbands aged 25 to 29). For two-parent families aged 30 to 49, EI also reduces income instability, but to a lesser extent.

EI also lowers income instability for lone parents. For all age groups, EI is an important factor in mitigating instability among lone mothers in the bottom income group. But overall, EI has its largest impact in reducing instability for unattached individuals. EI reduces instability for the bottom third of the income distribution by up to 24% for unattached men and up to 20% for unattached women.

⁴² Based on T4 data. As premium payments are administered through the tax system, the most recent data available are for the 2004 taxation year.

⁴³ In the absence of this adjustment, the ratio for Canada would be lower than one, mostly because the numerator represents regular benefits only and does not include other EI payments. Province and territory are determined by the location of the employer for premiums and of the claimant for benefits.

⁴⁴ René Morissette and Yuri Ostrovsky, *Earnings Instability, Perspectives on Labour and Income*, Vol. 7, No.10, (October 2006).

3. Labour Mobility

A study using the SLID that covers the period 1993 to 1999 shows that the relationship between EI and migration is complex and critically depends on an individual's degree of attachment to the labour market.⁴⁵ For people with moderate or low labour market attachment (those who work between one to 49 weeks full time or part time during the year), regional mobility appears to be positively related to local economic conditions, perhaps implying that people in more depressed economic regions do not have the same means or opportunity to move as people in regions with stronger labour market conditions. Individuals who work between 20 and 49 weeks during the year are the most likely to receive EI, and the analysis suggests that, for this group, receipt of EI is associated with lower geographic mobility. The authors also find some evidence to support the hypothesis that tighter rules for EI eligibility may give people who are only marginally attached to the labour market (those who work less than 20 weeks during the year) a stronger incentive to leave areas of high unemployment to improve their employment prospects.

VI. EI Finances

1. Trends in Contributions and Expenditures

Over the past decade, EI contributions and expenditures have changed considerably from year to year, due to a combination of decreasing EI premiums, increased expenditures caused by program enhancements and major shifts in the Canadian labour market. For instance, labour force participation rates are generally higher, and unemployment rates lower, than they've been in the last 30 years. In this context, it is informative to analyze trends in EI revenues and expenditures.

The EI Program is financed by employee and employer contributions on insured earnings (up to the maximum insurable earnings value), with employers paying a 1.4 multiple of the employee premium rate. Employee premiums per \$100 of insured earnings declined from \$3.07 in 1994 to \$1.80 in 2007, while employer premiums declined from \$4.30 in 1994 to \$2.52 in 2007. As a result, in 2007, employers and employees will pay \$12 billion less

in premiums than they would have under the 1994 rate. However, the effect of declining premiums on revenues has been offset by rising participation rates, which have increased the total number of insured persons paying into the EI Program.

A new EI premium rate-setting process introduced in 2005 was designed to improve transparency and increase the independence of the Canada EI Commission (CEIC), while ensuring rate stability. Under the new premium rate-setting process, the Chief Actuary is required to annually calculate, on a forward-looking basis, the estimated break-even rate for the coming year, which the CEIC takes into account in announcing the premium rate.

In Chapter 2, income benefits paid under Part I of the *Employment Insurance Act* are described by type of benefit (see Table 1 in Chapter 2). In 2005/06, regular benefits accounted for 63.4% of total income benefits paid, while special benefits accounted for 31.5%, fishing benefits for 2.0% and income benefits to participants in EBSMs for 2.9%. Special benefits have accounted for an increasing share of total income benefits in recent years, mostly due to growth in parental benefits. In 2000/01, parental benefits accounted for 5.2% of total benefits paid, but, following enhancements made that year, have grown steadily to represent 17.2% of total income benefits paid in 2005/06.

Another useful analysis of the trends in EI Program expenditures is based on the shares of the various types of expenditures expressed as proportions of total EI revenue. In 2000/01, EI Part I expenditures were 44.8% of total EI revenue, EI Part II expenditures were 8.7%, administrative costs were 6.6% and other costs accounted for 0.1%, for a total of 60.3% of total EI revenue. In 2005/06, as a proportion of total revenue, EI Part I expenditures were 67.7%, EI Part II 11.0%, administrative costs 8.6% and other costs 0.3%, for a total of 87.6% of EI revenue.

2. EI Account

Since 1986, the EI Account has been consolidated in the Summary Financial Statements of Canada. Revenues under the Act are credited to the account and deposited in the government's Consolidated Revenue Fund (CRF). Similarly, program costs are charged to the account and paid out of the CRF. As a result, any annual EI surplus or deficit affects the government's fiscal balance. In other

⁴⁵ Rick Audas and James T. McDonald, *Employment Insurance and Geographic Mobility: Evidence from the SLID* (Ottawa: Social Research and Demonstration Corporation, April 2003).

Table 4

EI Account, Statement of Operations	
	2005/06 (\$ Millions)
Revenue	
Premiums	16,917
Penalties	50
Notional Interest	1,352
Total Revenue	18,319
Expenditures	
Benefits	14,418
Part I	12,402
Part II	2,016
Administrative Costs	1,576
Doubtful Accounts ⁴⁶	56
Total Expenditures	16,050
Variance	2,269
Premium Rate (2006)	
(% of Insurable Earnings)	
Employee	1.87%
Employer	2.62%

words, the EI Account is not an account containing cash, but it is an accounting method that keeps track of premiums and benefits.

Information in Table 4 is reproduced from the HRSDC 2005–2006 *Departmental Performance Report*. As shown, total EI revenue exceeded total expenditures by \$2.3 billion, including \$1.4 billion in notional interest.⁴⁷ Benefits declined from the previous year, mainly due to a decrease in the number of new claims established. The decrease in the number of claims was partially offset by a higher average weekly benefit. Meanwhile, EI premiums also decreased, mainly due to a lower premium rate. The decrease was partially offset by the increase in employment and earnings.

⁴⁶ "Doubtful accounts" represents the write-offs and estimates of uncollectible accounts receivable for benefit overpayments and penalties imposed.

⁴⁷ HRSDC, 2005–2006 *Departmental Performance Report* (Ottawa: HRSDC, November 2006), http://www.tbs-sct.gc.ca/dpr-rmr/0506/HRSDC-RHDSC/hrsd-rhdsc_e.pdf.

Annex 1 Key Labour Market Statistics

- 1.1 Unemployment Rate, by EI Region (%)
- 1.2 Employment, by Province, Sex and Age
- 1.3 Employment, by Industry
- 1.4 Unemployment Rate
- 1.5 Unemployment Rate and Employment, by Education Level

Annex 1.1

Unemployment Rate, by EI Region (%)

	June 2004	Sept. 2004	Dec. 2004	March 2005	June 2005	Sept. 2005	Dec. 2005	March 2006
Newfoundland and Labrador								
St. John's	8.7	9.3	8.5	8.5	9.5	9.2	8.1	8.8
Newfoundland and Labrador	20.6	19.5	20.5	19.0	19.2	19.1	19.8	20.1
Prince Edward Island								
Prince Edward Island	12.1	11.6	11.3	10.5	10.5	11.6	11.1	11.0
Nova Scotia								
Eastern Nova Scotia	16.1	14.6	16.1	16.3	15.0	13.7	14.7	15.0
Western Nova Scotia	10.0	10.2	9.8	9.8	8.8	8.5	9.4	9.4
Halifax	6.2	5.8	5.8	6.4	5.8	5.6	5.4	5.0
New Brunswick								
Fredericton-Moncton-Saint John	7.0	7.8	7.9	7.0	6.0	7.4	7.8	7.4
Madawaska-Charlotte ¹	11.9	10.9	10.3	11.0	11.5	12.5	12.0	10.1
Restigouche-Albert	16.2	16.4	15.2	15.4	15.2	14.7	15.8	14.4
Quebec								
Gaspésie-Îles-de-la-Madeleine	21.0	20.7	20.1	18.7	18.3	18.0	17.1	18.1
Québec	5.8	5.1	5.1	5.4	5.7	7.0	5.2	5.3
Trois-Rivières	11.1	11.1	10.5	10.3	10.2	8.4	8.1	9.0
Québec Centre South	5.9	5.5	6.3	7.3	6.2	5.9	5.7	5.4
Sherbrooke	6.3	6.6	6.7	6.9	7.7	7.2	7.3	7.7
Montréal	7.2	6.9	6.5	7.5	7.2	8.2	6.8	6.7
Montréal	8.0	8.2	9.1	8.6	8.3	8.4	9.1	9.7
Central Quebec	9.3	9.1	9.3	9.0	9.2	8.9	8.4	7.7
North Western Quebec	18.3	15.9	15.9	13.1	10.6	10.3	11.4	9.6
Bas-Saint-Laurent-Côte-Nord ¹	14.1	13.2	11.7	12.1	11.8	11.6	11.5	11.7
Hull	6.7	5.8	6.6	7.3	7.4	6.5	6.5	5.4
Chicoutimi-Jonquière	11.0	10.3	11.3	9.6	8.3	11.0	11.1	7.6
Ontario								
Ottawa	7.3	6.8	6.0	6.1	6.9	7.2	6.0	5.0
Eastern Ontario	7.5	6.7	6.4	7.6	6.6	7.6	7.0	6.8
Kingston	5.5	7.4	6.5	7.1	6.2	7.1	5.2	5.7
Central Ontario	4.6	5.3	5.0	6.1	6.8	5.6	6.3	5.3
Oshawa	5.2	5.2	5.9	6.3	6.7	6.5	6.1	6.8
Toronto	7.8	7.5	7.4	7.6	7.5	7.1	6.5	6.7
Hamilton	7.2	6.0	6.3	5.4	4.9	5.3	6.1	5.8
St. Catharines	8.1	8.2	6.3	5.9	6.8	8.1	7.0	6.8
London	5.3	4.8	6.9	6.1	6.8	6.7	6.9	6.1
Niagara	7.0	7.5	6.8	6.9	8.5	8.7	8.7	8.5
Windsor	7.9	9.5	9.8	9.3	8.1	7.3	6.9	9.0
Kitchener	5.8	5.7	4.7	4.4	6.3	5.8	5.8	5.3
Huron	7.8	9.8	8.1	6.7	7.3	8.2	8.2	6.5
South Central Ontario	4.8	4.5	3.7	3.8	4.3	4.9	5.1	5.1
Sudbury	9.1	7.9	8.3	7.4	7.3	7.7	8.2	7.6
Thunder Bay	7.4	9.2	9.2	8.4	7.4	7.1	6.4	7.0
Northern Ontario	12.1	12.8	12.3	10.5	8.8	10.5	9.5	9.9

Annex 1.1 (continued)

Unemployment Rate, by EI Region (%)

	June 2004	Sept. 2004	Dec. 2004	March 2005	June 2005	Sept. 2005	Dec. 2005	March 2006
Manitoba								
Winnipeg	5.3	5.8	5.5	4.9	5.2	5.1	4.6	4.4
Southern Manitoba	6.0	6.3	5.7	6.8	6.3	4.8	5.3	5.8
Northern Manitoba	27.5	26.7	28.3	26.8	23.5	24.5	23.1	23.3
Saskatchewan								
Regina	5.2	4.2	5.0	4.9	4.4	4.9	5.2	4.9
Saskatoon	6.5	6.0	6.1	5.4	4.6	4.6	5.4	5.5
Southern Saskatchewan	7.1	7.1	6.8	6.7	6.8	6.6	7.3	5.9
Northern Saskatchewan	13.2	14.5	15.0	14.5	14.2	14.8	15.2	15.7
Alberta								
Calgary	5.1	5.2	5.1	4.8	3.5	3.3	4.4	4.0
Edmonton	4.8	4.8	5.2	5.0	4.4	4.9	4.5	4.1
Northern Alberta	10.0	9.6	10.5	8.0	6.5	7.1	6.9	7.4
Southern Alberta	5.8	5.8	5.7	5.1	4.6	4.5	4.9	4.2
British Columbia								
Southern Interior B.C.	8.7	8.8	7.0	7.8	6.8	6.9	6.6	6.3
Abbotsford	6.2	6.9	7.2	7.3	6.1	4.7	5.3	4.5
Vancouver	7.6	7.2	6.6	6.4	6.2	6.2	4.8	4.9
Victoria	5.5	5.9	6.4	6.0	5.4	4.1	5.0	4.7
Southern Coastal B.C.	12.5	10.9	9.5	8.3	8.4	8.1	7.5	6.6
Northern B.C.	14.8	13.7	12.2	11.2	10.0	8.8	9.9	9.1
Territories²								
Yukon	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Northwest Territories	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Nunavut	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
CANADA	7.9	7.8	7.7	7.5	7.3	7.3	7.1	7.0

Source: Labour Force Survey.

1. Unemployment rates for these regions have been determined using a transition formula prescribed in the EI Regulations.
2. The Yukon, Northwest Territories and Nunavut unemployment rates are set at 25% for EI purposes, since the territories are not included in the Labour Force Survey.

Annex 1.2

Employment, by Province, Sex and Age¹

		(000s)									
% Change		2005/06	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00	1998/99		
2004/05–2005/06		1.5	16,243.0	16,003.5	15,730.3	15,441.7	14,991.5	14,820.5	14,512.5	14,136.6	
Province											
	Newfoundland and Labrador	-0.4	213.4	214.3	212.9	208.9	205.1	198.6	201.0	194.2	
	Prince Edward Island	1.0	68.2	67.5	66.2	65.0	63.6	62.9	61.2	59.5	
	Nova Scotia	-0.2	442.9	443.8	433.0	425.8	416.8	411.4	407.2	396.5	
	New Brunswick	0.6	352.9	350.7	343.3	345.1	332.8	331.4	326.4	319.3	
	Quebec	0.9	3,728.8	3,693.8	3,636.7	3,597.6	3,459.3	3,411.9	3,353.6	3,278.7	
	Ontario	1.5	6,424.7	6,328.6	6,237.6	6,093.8	5,939.3	5,853.7	5,683.6	5,494.8	
	Manitoba	0.6	581.6	578.1	571.7	568.7	556.3	553.8	544.0	535.8	
	Saskatchewan	-0.1	482.5	482.8	475.9	472.1	458.8	470.8	474.3	469.2	
	Alberta	1.9	1,798.9	1,765.1	1,728.6	1,682.8	1,638.5	1,593.8	1,556.0	1,520.1	
	British Columbia	3.4	2,149.0	2,078.6	2,024.3	1,981.7	1,920.9	1,932.1	1,905.3	1,868.6	
Sex											
	Men	1.4	8,632.0	8,509.9	8,370.2	8,247.2	8,046.2	7,995.5	7,857.6	7,648.9	
	Women	1.6	7,610.9	7,493.6	7,360.0	7,194.4	6,945.3	6,825.0	6,654.9	6,487.7	
Age											
	Under 25	0.8	2,490.4	2,469.9	2,440.3	2,424.6	2,332.7	2,308.4	2,215.8	2,120.2	
	25 to 54	0.8	11,508.7	11,420.2	11,293.7	11,204.4	11,027.1	10,964.6	10,804.7	10,605.9	
	55 and Over	6.2	2,243.9	2,113.4	1,996.3	1,812.8	1,631.8	1,547.6	1,491.9	1,410.4	

Source: Labour Force Survey.
1. Calculated using annual averages of seasonally adjusted data over fiscal years.

Annex 1.3

Employment, by Industry¹

Industry	% Change 2004/05– 2005/06	(000s)									
		2005/06	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00	1998/99		
ALL INDUSTRIES	1.5	16,243.0	16,003.5	15,730.3	15,441.7	14,991.5	14,820.5	14,512.5	14,136.6		
Goods-producing Sector	-0.1	3,998.5	4,001.7	3,931.0	3,915.4	3,771.5	3,820.3	3,776.3	3,676.4		
Agriculture	7.4	348.3	324.3	331.3	333.7	315.4	358.1	401.1	420.8		
Forestry, Fishing, Mining, Oil and Gas	6.9	311.4	291.2	282.3	271.6	278.3	276.4	263.8	287.9		
Utilities	-5.0	124.4	131.0	132.0	132.0	125.8	116.8	114.7	115.0		
Construction	7.1	1,038.7	969.9	911.8	877.0	828.2	814.0	782.8	740.7		
Manufacturing	-4.8	2,175.7	2,285.3	2,273.6	2,301.2	2,223.8	2,255.1	2,213.9	2,112.0		
Services-producing Sector	2.0	12,244.5	12,001.8	11,799.3	11,526.3	11,220.0	11,000.2	10,736.1	10,460.2		
Trade	2.7	2,591.4	2,523.9	2,477.2	2,428.4	2,373.8	2,312.6	2,232.8	2,152.2		
Transportation and Warehousing	1.1	800.0	791.6	796.7	771.2	766.4	774.9	750.3	713.2		
Finance, Insurance, Real Estate and Leasing	2.1	994.9	974.2	924.3	900.4	879.9	862.7	858.3	850.8		
Professional, Scientific and Technical Services	3.9	1,063.9	1,023.6	1,005.4	992.5	983.4	954.0	904.8	867.8		
Business, Building and Other Support Services	4.7	662.4	632.6	612.3	592.8	545.2	538.2	511.7	482.2		
Educational Services	8.1	1,128.8	1,044.0	1,028.1	1,014.7	990.5	969.2	978.1	939.6		
Health Care and Social Assistance	0.0	1,735.0	1,735.8	1,694.9	1,640.2	1,550.4	1,522.2	1,459.0	1,429.9		
Information, Culture and Recreation	-0.1	737.4	738.5	722.4	710.9	713.7	676.6	633.6	619.4		
Accommodation and Food Services	-1.2	1,001.0	1,013.5	1,006.8	990.8	954.3	935.7	925.8	909.3		
Other Services	-0.7	693.4	698.2	707.4	694.8	669.6	680.4	708.6	714.5		
Public Administration	1.2	836.3	826.0	823.7	789.7	792.8	773.6	773.0	781.3		

Source: Labour Force Survey.

1. Calculated using annual averages of seasonally adjusted data over fiscal years.

Annex 1.4

Unemployment Rate¹

Unemployed (000s)	Unemployment Rate (%)									
	2005/06	2005/06	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00	1998/99	
NATIONAL	1,151.7	6.6	7.1	7.6	7.5	7.5	6.9	7.3	8.1	
Province										
Newfoundland and Labrador	38.9	15.4	15.5	16.3	16.6	16.3	16.4	17.0	17.8	
Prince Edward Island	8.5	11.1	11.0	10.9	11.6	12.3	12.0	13.3	14.5	
Nova Scotia	39.6	8.2	8.8	9.2	9.4	9.8	9.2	9.4	10.4	
New Brunswick	37.4	9.6	9.7	10.2	10.0	11.0	10.4	9.8	11.8	
Quebec	337.1	8.3	8.4	9.1	8.5	8.9	8.5	9.0	10.1	
Ontario	443.4	6.5	6.8	7.0	7.0	6.6	5.8	6.1	7.0	
Manitoba	27.8	4.6	5.3	5.0	5.0	5.2	4.8	5.6	5.6	
Saskatchewan	26.3	5.2	5.1	5.6	5.7	5.8	5.4	5.5	6.2	
Alberta	70.5	3.8	4.4	5.0	5.3	4.7	5.0	5.5	5.7	
British Columbia	122.1	5.4	6.9	8.0	8.2	8.2	7.1	7.9	8.6	
Gender										
Men	633.1	6.8	7.4	8.0	7.9	7.9	7.0	7.5	8.4	
Women	518.6	6.4	6.8	7.2	7.1	7.0	6.7	7.1	7.7	
Age										
Under 25	345.2	12.2	13.0	13.8	13.4	13.3	12.6	13.6	14.8	
25 to 54	687.6	5.6	6.0	6.4	6.4	6.4	5.8	6.2	6.9	
55 and Over	118.9	5.0	5.5	5.8	5.8	5.7	5.2	5.2	6.2	

Source: Labour Force Survey.

1. Calculated using annual averages of seasonally adjusted data over fiscal years.

Annex 1.5

Unemployment Rate and Employment, by Education Level¹

Education level	Unemployment Rate (%)		Employment (000s)																
	2005/06	2004/05-2005/06	2005/06	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00	1998/99	1997/98	1996/97	1995/96	1994/95	1993/94	1992/93	1991/92	1990/91	
ALL	6.6	1.5	16,242.3	16,001.2	15,731.0	15,441.3	14,992.5	14,820.6	14,510.7	14,137.4	13,824.1	13,510.8	13,197.5	12,884.2	12,570.9	12,257.6	11,944.3	11,631.0	
Eight Years or Less	12.9	-4.8	463.2	486.7	505.8	500.0	490.0	533.0	578.1	594.0	609.1	624.2	639.3	654.4	669.5	684.6	699.7	714.8	729.9
Some High School	12.2	-1.9	1,749.3	1,782.9	1,801.2	1,879.6	1,898.7	1,933.7	1,952.2	1,932.8	1,912.9	1,893.0	1,873.1	1,853.2	1,833.3	1,813.4	1,793.5	1,773.6	1,753.7
High School Diploma	6.5	2.8	3,368.9	3,277.8	3,180.9	3,179.1	3,120.4	3,109.4	3,040.3	2,892.6	2,744.9	2,597.2	2,449.5	2,301.8	2,154.1	2,006.4	1,858.7	1,711.0	1,563.3
Some Post-Secondary	8.0	-11.3	1,381.6	1,557.3	1,579.1	1,480.6	1,392.4	1,449.3	1,380.5	1,328.3	1,276.1	1,223.9	1,171.7	1,119.5	1,067.3	1,015.1	962.9	910.7	858.5
Post-Secondary Certificate or Diploma	5.3	2.1	5,600.9	5,488.1	5,347.0	5,239.3	5,047.4	4,849.7	4,750.9	4,652.1	4,553.3	4,454.5	4,355.7	4,256.9	4,158.1	4,059.3	3,960.5	3,861.7	3,762.9
University Degree	4.5	7.9	3,678.3	3,408.4	3,317.0	3,162.8	3,043.6	2,945.5	2,808.6	2,676.4	2,544.2	2,411.9	2,279.7	2,147.4	2,015.1	1,882.9	1,750.6	1,618.3	1,486.0

Source: Labour Force Survey.

1. Calculated using annual averages of unadjusted data over fiscal years.

Annex 2 Income Benefits Data Tables

- 2.1 Total Income Benefits
- 2.2 Total Income Benefits, by Industry
- 2.3 Regular Benefits
- 2.4 Distribution of Claims for Regular Benefits,
by Duration of Insured Employment
- 2.5 Fishing Benefits
- 2.6 Frequent Claimants
- 2.7 Special Benefits
- 2.8 Maternity Benefits
- 2.9 Parental Benefits (Biological)
- 2.10 Parental Benefits (Adoptive)
- 2.11 Sickness Benefits
- 2.12 Compassionate Care Benefits
- 2.13 Family Supplement
- 2.14 Working While on Claim
- 2.15 Benefit Repayment Provision
- 2.16 Contributors to the Program, 2004
- 2.17 Regular Benefits-to-Contributions Ratios, 2004

Annex 2.1

Total Income Benefits

Province/ Territory	New Claims ¹				Average Weekly Benefit ²				Amount Paid ²							
	% Change 2004/05- 2005/06	(000s)			% Change 2004/05- 2005/06	(\$)			% Change 2004/05- 2005/06	(\$ Millions)						
		2005/06	2004/05	2003/04		1995/96	2005/06	2004/05		2003/04	1995/96	2005/06	2004/05	2003/04	1995/96	
Newfoundland and Labrador	-4.2	93	97	98	86	2.1	319	313	306	274	0.3	766.9	764.9	752.0	589.9	
Prince Edward Island	-0.8	24	25	25	25	5.8	318	301	295	260	6.1	178.6	168.3	175.4	157.7	
Nova Scotia	-2.6	88	90	90	98	4.2	310	297	294	261	0.7	612.2	608.2	601.3	571.2	
New Brunswick	-1.8	93	94	96	104	3.9	310	299	295	263	1.0	668.2	661.3	666.7	642.0	
Quebec	-1.9	573	584	616	663	2.6	318	310	305	268	2.2	3,813.0	3,730.7	3,816.3	3,793.3	
Ontario	2.5	543	530	561	611	2.0	332	326	324	289	0.9	3,825.1	3,791.2	3,904.2	3,277.0	
Manitoba	-2.2	54	56	61	65	2.2	306	300	297	256	-1.6	344.2	350.0	362.8	314.3	
Saskatchewan	-5.3	43	45	48	51	2.7	315	307	305	262	-3.4	276.2	285.9	301.2	241.8	
Alberta	-8.7	118	129	143	158	2.3	337	329	326	280	-8.6	822.4	900.0	982.3	863.0	
British Columbia	-6.8	193	207	228	262	1.7	323	318	318	296	-7.6	1,324.3	1,432.6	1,577.2	1,434.9	
Nunavut	4.1	1	1	1	N/A	4.7	363	346	338	N/A	9.1	11.5	10.5	11.7	N/A	
Northwest Territories	1.0	2	2	3	4	2.7	382	372	368	327	4.4	21.7	20.8	24.8	28.9	
Yukon	-1.6	3	3	3	3	2.2	364	356	349	328	-1.8	21.8	22.2	23.1	22.8	
Sex																
Men	-1.8	972	990	1,070	1,161	2.1	351	343	340	312	-1.9	6,328.7	6,449.6	6,931.0	7,138.0	
Women	-2.0	855	872	903	969	2.9	291	283	278	237	1.0	6,357.4	6,296.9	6,268.0	4,798.8	
Age																
Under 25	-6.4	216	230	250	301	5.0	279	266	262	213	-2.0	1,249.9	1,276.0	1,359.3	1,274.2	
25 to 44	-3.5	976	1,012	1,097	1,293	2.2	332	325	322	287	-1.6	7,585.6	7,705.2	8,067.1	7,534.3	
45 to 54	1.3	398	393	404	354	2.2	328	321	319	293	0.7	2,375.0	2,359.4	2,403.0	2,012.1	
55 and Over	4.6	237	227	222	182	1.7	316	311	308	286	5.0	1,475.6	1,405.9	1,368.5	1,116.2	
EI History³																
First-time Claimants	-1.8	758	772	833	688	2.5	312	305	302	263	-0.3	5,952.7	5,972.3	6,094.5	3,922.8	
Occasional Claimants	-3.9	522	543	582	702	2.9	315	306	303	259	-2.3	3,255.0	3,331.8	3,551.5	3,659.1	
Frequent Claimants	0.0	547	547	559	740	1.9	345	339	336	308	1.0	3,478.3	3,442.4	3,553.1	4,354.9	
NATIONAL	-1.9	1,827	1,862	1,973	2,130	2.5	323	315	312	278	-0.5	12,686.1	12,746.5	13,199.0	11,936.8	

Source: EI administrative data.

N/A = not applicable.

1. Includes claims on which at least \$1 of EI benefits was paid.

2. Takes into account benefit payments under regular, fishing, special (sickness, maternity, parental, compassionate), employment (section 25 of the *Employment Insurance Act*) and Work Sharing benefits. Payments under Part II of the *Employment Insurance Act* are not included. Dollar figures encompass Family Supplement top-ups paid.

3. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

Annex 2.2

Total Income Benefits, by Industry

	% Change	(\$ Millions)		
	2004/05– 2005/06	2005/06	2004/05	2003/04
Goods-producing Industries				
Agriculture, Forestry, Fishing and Hunting	4.2	668.9	641.6	681.5
Fish Harvesting (Self-Employed) ¹	-9.9	264.1	293.2	298.1
Mining and Oil and Gas Extraction	-10.7	154.0	172.5	170.2
Utilities	-11.4	37.9	42.8	42.7
Construction	0.4	1,560.0	1,554.0	1,624.9
Manufacturing	0.1	2,007.1	2,004.8	2,218.4
Services-producing Industries				
Wholesale Trade	2.7	547.8	533.6	562.8
Retail Trade	2.4	864.9	844.3	835.1
Transportation and Warehousing	4.2	447.7	429.4	480.1
Information and Cultural Industries	-8.1	195.7	212.9	238.4
Finance and Insurance	-0.1	336.0	336.3	355.0
Real Estate and Rental and Leasing	-4.1	168.7	176.0	182.1
Professional, Scientific and Technical Services	-6.7	586.5	628.4	698.7
Management of Companies and Enterprises	8.5	83.3	76.8	79.9
Administrative and Support, Waste Management and Remediation Services	5.2	712.6	677.3	666.6
Educational Services	1.5	780.8	769.2	734.3
Health Care and Social Assistance	0.2	852.8	850.8	801.0
Arts, Entertainment and Recreation	1.7	234.5	230.5	229.7
Accommodation and Food Services	3.2	574.9	557.0	584.9
Other Services	-1.6	474.2	482.2	470.0
Public Administration	-1.0	855.4	864.0	866.4
Unclassified	-24.5	278.3	368.8	378.1
ALL INDUSTRIES	-0.5	12,686.1	12,746.5	13,199.0

Source: EI administrative data.

1. Includes fishing benefits paid to self-employed fishers, as well as other types of benefits collected by these claimants, such as special benefits. Employment Benefits (Part II) are excluded.

Annex 2.3

Regular Benefits

Province/Territory	New Claims ¹				Average Weekly Benefit ²				Amount Paid ³							
	% Change	(000s)			% Change	(\$)			% Change	(\$ Millions)						
	2004/05-2005/06	2005/06	2004/05	2003/04	1995/96	2004/05-2005/06	2005/06	2004/05	2003/04	1995/96	2005/06	2004/05	2003/04	1995/96		
Newfoundland and Labrador	-0.8	73	74	75	74	4.5	311	298	291	265	4.8	577.5	551.1	540.3	481.4	
Prince Edward Island	-1.4	18	19	19	21	7.3	308	287	280	245	8.8	124.0	113.9	118.5	121.5	
Nova Scotia	-5.2	67	71	71	83	4.9	307	293	289	249	0.0	434.8	434.9	435.4	447.5	
New Brunswick	-3.4	75	78	80	94	4.1	311	298	294	261	0.1	513.2	512.6	517.3	554.3	
Quebec	-1.0	470	474	502	596	2.6	320	311	306	268	1.9	2,728.0	2,677.2	2,789.4	3,205.8	
Ontario	1.9	381	374	400	497	2.1	335	328	326	287	-0.8	2,153.1	2,171.3	2,326.3	2,427.4	
Manitoba	-6.6	36	39	43	53	2.5	309	301	299	255	-5.7	185.2	196.4	210.2	230.8	
Saskatchewan	-11.2	30	34	35	42	3.1	321	311	311	263	-9.8	163.3	181.1	191.3	186.0	
Alberta	-19.1	66	82	95	132	1.2	340	336	334	282	-20.3	366.8	460.2	557.5	671.3	
British Columbia	-11.9	129	146	169	219	2.2	328	321	320	296	-13.7	761.4	882.4	1,041.2	1,115.3	
Nunavut	4.5	1	1	1	N/A	4.6	358	342	335	N/A	8.0	7.2	6.7	7.6	N/A	
Northwest Territories	-4.6	1	2	2	3	3.4	384	371	368	325	1.8	14.2	13.9	16.2	21.5	
Yukon	-0.5	2	2	2	3	2.1	366	358	351	328	-3.6	16.7	17.3	17.7	19.2	
Sex																
Men	-3.3	801	828	900	1,066	2.3	351	343	340	311	-2.5	5,251.0	5,388.3	5,852.5	6,333.1	
Women	-3.0	548	565	593	752	3.3	285	276	271	226	-1.3	2,794.3	2,830.8	2,916.4	3,148.8	
Age																
Under 25	-9.3	151	166	184	261	5.0	286	273	268	214	-3.4	755.8	782.5	845.9	1,005.3	
25 to 44	-5.3	670	707	782	1,077	2.4	331	323	321	284	-5.0	4,028.7	4,240.6	4,685.7	5,695.5	
45 to 54	0.4	333	332	342	319	2.3	330	322	319	293	0.3	2,006.8	2,000.4	2,068.3	1,778.8	
55 and Over	4.0	196	188	186	161	1.9	318	312	309	285	4.9	1,254.0	1,195.6	1,178.3	1,002.2	
EI History³																
First-time Claimants	-5.2	422	445	499	490	2.5	307	299	297	252	-4.6	2,685.3	2,814.3	3,082.7	2,539.8	
Occasional Claimants	-5.1	427	451	485	623	2.9	317	308	305	260	-3.8	2,371.5	2,464.3	2,642.9	3,009.7	
Frequent Claimants	0.5	500	498	510	705	2.3	344	336	334	306	1.6	2,988.5	2,940.4	3,043.3	3,932.3	
NATIONAL	-3.1	1,350	1,394	1,493	1,818	2.7	324	315	312	276	-2.1	8,045.3	8,219.1	8,768.9	9,481.9	

Source: EI administrative data.

N/A: Not applicable.

1. Includes claims on which at least \$1 of regular benefits was paid.

2. Takes into account Family Supplement top-ups paid to regular claimants.

3. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

Annex 2.4

Distribution of Claims for Regular Benefits, by Duration of Insured Employment

	New Claims ¹														
	2004/05 - 2005/06			2005/06			2004/05			2003/04			1995/96		
	Short Spells ²	Medium Spells ³	Long Spells ⁴	Short Spells ²	Medium Spells ³	Long Spells ⁴	Short Spells ²	Medium Spells ³	Long Spells ⁴	Short Spells ²	Medium Spells ³	Long Spells ⁴	Short Spells ²	Medium Spells ³	Long Spells ⁴
Province/Territory															
Newfoundland and Labrador	-3.7	-1.7	2.1	7,110	43,770	22,100	7,380	44,530	21,640	7,800	45,780	21,090	20,700	37,290	16,500
Prince Edward Island	2.2	-6.2	8.0	1,830	10,920	5,640	1,790	11,640	5,220	2,060	11,590	5,670	6,480	10,950	3,370
Nova Scotia	-7.2	-1.2	-11.1	4,620	40,150	22,560	4,980	40,650	25,370	5,510	41,160	24,690	13,850	45,680	23,550
New Brunswick	-8.1	-1.8	-5.5	4,300	46,750	24,310	4,680	47,600	25,720	4,920	48,710	26,160	24,340	50,200	19,480
Quebec	4.9	-2.4	0.5	25,220	266,960	177,350	24,040	273,640	176,420	23,730	278,070	199,840	51,290	334,440	210,730
Ontario	-0.2	4.5	-0.6	11,760	194,770	174,420	11,780	186,440	175,480	12,040	191,360	196,120	21,480	263,750	212,100
Manitoba	5.7	-6.1	-8.6	1,490	20,960	13,790	1,410	22,310	15,080	1,940	23,650	16,990	3,270	30,150	19,230
Saskatchewan	-20.7	-11.7	-9.5	960	17,400	11,710	1,210	19,700	12,940	1,320	19,980	13,860	2,140	26,750	13,560
Alberta	-20.6	-16.7	-21.7	2,120	34,840	28,970	2,670	41,810	37,020	2,780	46,800	45,880	6,310	71,090	54,220
British Columbia	-1.5	-7.5	-18.9	6,440	73,320	48,860	6,540	79,240	60,240	6,330	88,730	73,430	14,660	118,470	85,700
Nunavut	-57.1	3.8	20.0	30	540	360	70	520	300	50	540	390	N/A	N/A	N/A
Northwest Territories	-63.6	2.4	-3.4	40	850	570	110	830	590	50	1,150	780	260	1,940	1,030
Yukon	-9.1	-8.8	14.5	100	1,140	870	110	1,250	760	180	1,360	750	240	1,690	850
Sex															
Men	-2.5	-2.1	-4.7	35,210	423,450	342,750	36,120	432,450	359,800	38,150	454,410	407,530	103,350	610,960	351,220
Women	0.5	-2.6	-4.2	30,810	328,920	188,760	30,650	337,710	196,980	30,560	344,470	218,120	61,690	381,440	309,100
Age															
Under 25	10.1	-10.3	-10.0	8,160	92,580	49,980	7,410	103,260	55,510	8,030	110,420	65,040	22,100	162,380	76,060
25 to 44	-9.4	-4.5	-5.7	29,910	358,230	281,720	33,020	375,180	298,830	34,490	400,430	346,840	97,400	574,840	404,680
45 to 54	1.8	2.6	-2.7	15,450	185,570	132,400	15,180	180,850	136,020	15,210	182,430	144,100	28,520	169,390	121,240
55 and Over	12.0	4.6	1.5	12,500	115,990	67,410	11,160	110,870	66,420	10,980	105,540	69,600	17,020	85,790	58,340
EI History⁵															
First-time Claimants	0.0	-3.9	-6.4	8,430	185,620	228,130	8,430	193,190	243,660	8,750	208,210	281,850	8,450	204,310	277,100
Occasional Claimants	-2.0	-5.6	-4.9	27,210	233,520	166,650	27,760	247,500	175,200	28,690	258,570	197,270	48,390	327,560	246,990
Frequent Claimants	-0.7	1.1	-0.9	30,380	333,230	136,730	30,580	329,470	137,920	31,270	332,100	146,530	108,200	460,530	136,230
NATIONAL	-1.1	-2.3	-4.5	66,020	752,370	531,510	66,770	770,160	556,760	68,710	798,880	625,650	165,040	992,400	660,320

Source: EI administrative data.

N/A: Not applicable.

1. Includes claims on which at least \$1 of regular benefits was paid.

2. Short spells: Duration of insured employment is at the minimum entrance requirement or up to two weeks above the minimum entrance requirement.

3. Medium spells: Duration of insured employment is at least three weeks greater than the minimum entrance requirement but less than or equal to six months.

4. Long spells: Duration of insured employment is more than six months longer than the minimum entrance requirement.

5. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

Annex 2.5

Fishing Benefits

Province/Territory	New Claims ¹				Average Weekly Benefit ²				Amount Paid ²							
	% Change	2005/06	2004/05	2003/04	1995/96	% Change	2005/06	2004/05	2003/04	1995/96	% Change	2005/06	2004/05	2003/04	1995/96	
	2004/05-2005/06					2004/05-2005/06	(\$)	(\$)	(\$)	(\$ Millions)	2004/05-2005/06					
Newfoundland and Labrador	-17.7	14,604	17,753	17,251	7,127	-3.5	372	386	381	374	-16.6	113.7	136.2	137.2	62.8	
Prince Edward Island	0.3	3,527	3,515	3,445	2,299	1.0	397	394	397	409	-0.8	27.2	27.4	28.4	22.1	
Nova Scotia	2.4	5,896	5,760	5,576	6,821	0.7	390	387	391	421	-2.5	44.4	45.5	44.2	58.6	
New Brunswick	-0.4	3,325	3,337	3,212	2,452	0.9	399	395	397	410	-2.6	24.3	24.9	24.9	24.2	
Quebec	1.3	1,791	1,768	1,854	1,207	-0.6	390	393	384	422	-2.5	10.9	11.2	12.6	13.0	
Ontario	3.9	106	102	115	156	2.9	349	339	350	367	-4.0	0.7	0.8	1.0	1.9	
Manitoba	-6.9	875	940	1,053	561	-0.5	348	350	350	330	-5.1	7.6	8.0	8.2	3.7	
Saskatchewan	-12.8	130	149	204	53	2.2	298	292	295	331	-43.5	0.6	1.1	1.0	0.5	
Alberta	51.2	65	43	56	36	-5.6	357	378	375	379	62.3	0.4	0.2	0.5	0.2	
British Columbia	-15.0	3,587	4,219	4,403	4,271	-4.9	337	354	360	365	-13.2	28.6	33.0	35.1	31.8	
Nunavut	47.1	25	17	24	N/A	6.1	350	330	352	N/A	206.1	0.2	0.1	0.2	N/A	
Northwest Territories	-30.8	18	26	22	34	14.2	330	289	314	384	152.0	0.4	0.2	0.1	0.1	
Yukon	-100.0	0	2	1	5	-100.0	0	413	413	392	N/A	0.0	0.0	0.0	0.1	
Sex																
Men	-10.0	28,122	31,237	30,987	21,961	-1.3	382	387	386	401	-9.7	215.9	239.2	246.7	194.2	
Women	-8.9	5,827	6,394	6,229	3,061	-3.2	351	363	357	335	-12.8	43.2	49.5	46.6	24.7	
Age																
Under 25	-26.4	1,928	2,620	2,634	2,529	-2.0	358	366	363	367	-24.2	14.7	19.4	21.0	20.3	
25 to 44	-13.8	14,989	17,388	17,811	13,773	-1.3	380	384	383	396	-14.2	116.0	135.3	138.9	118.5	
45 to 54	-6.1	9,834	10,473	10,263	5,573	-2.1	378	386	384	396	-6.2	73.6	78.4	82.1	50.9	
55 and Over	0.7	7,198	7,150	6,508	3,147	-1.7	373	380	380	394	-1.5	54.8	55.6	51.3	29.2	
EI History³																
First-time Claimants	-18.0	923	1,125	1,057	863	-2.3	343	352	348	349	-33.9	6.9	10.4	9.1	5.6	
Occasional Claimants	-22.9	2,498	3,241	3,742	3,550	-3.1	344	355	352	375	-20.2	18.9	23.7	26.6	20.7	
Frequent Claimants	-8.2	30,528	33,265	32,417	20,609	-1.6	380	387	386	406	-8.4	233.3	254.6	257.7	192.6	
NATIONAL	-9.8	33,949	37,631	37,216	25,022	-1.6	377	383	381	393	-10.3	259.1	288.7	293.4	218.9	

Source: EI administrative data.

N/A: Not applicable.

1. Includes claims on which at least \$1 of fishing benefits was paid.

2. Takes into account Family Supplement top-ups paid to fishing claimants.

3. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

Annex 2.6

Frequent Claimants¹

Province/Territory	New Claims ²				Average Weekly Benefit ³				Amount Paid ³					
	% Change	2004/05	2003/04	1995/96	% Change	2004/05	2003/04	1995/96	% Change	2004/05	2003/04	1995/96		
	2004/05-2005/06	2005/06	2004/05	2003/04	1995/96	2004/05-2005/06	2005/06	2004/05	2003/04	2005/06	2004/05	2003/04	1995/96	
Newfoundland and Labrador	-3.9	60,545	62,987	62,345	53,245	1.3	340	336	331	296	500.6	495.5	491.7	397.6
Prince Edward Island	-2.7	15,220	15,648	15,821	16,143	5.2	338	321	317	282	112.0	107.2	109.8	111.0
Nova Scotia	-1.6	39,600	40,252	39,707	49,949	3.6	336	324	324	292	274.3	267.2	268.5	308.8
New Brunswick	-1.9	48,003	48,957	49,582	60,269	2.9	332	322	318	286	360.1	356.0	357.9	394.2
Quebec	1.2	195,742	193,339	196,251	262,740	2.0	345	338	334	303	1,143.8	1,089.5	1,112.4	1,524.0
Ontario	9.5	93,424	85,298	87,265	143,772	1.9	362	355	355	324	417.2	410.4	424.9	660.8
Manitoba	2.3	12,842	12,556	13,349	18,606	1.4	338	333	331	292	65.0	66.2	69.4	84.1
Saskatchewan	-7.3	10,628	11,468	11,690	16,003	0.6	346	344	342	302	56.5	63.7	67.6	77.2
Alberta	-11.3	14,054	15,852	17,683	32,831	-1.3	364	369	367	333	68.5	83.2	101.6	176.5
British Columbia	-9.1	39,512	43,482	47,063	70,042	0.0	349	348	351	337	212.4	244.0	284.4	375.7
Nunavut	-22.7	126	163	164	N/A	-2.5	355	364	370	N/A	1.0	1.0	1.3	N/A
Northwest Territories	-22.4	382	492	557	825	6.9	397	372	372	355	4.2	4.5	4.9	5.9
Yukon	3.8	790	761	840	1,164	2.3	395	386	389	383	6.4	6.4	6.7	9.1
Sex														
Men	-1.1	350,009	353,869	366,130	479,343	1.5	373	368	365	347	2,398.5	2,404.9	2,517.1	3,162.0
Women	2.0	180,859	177,386	176,187	246,246	3.5	293	283	279	234	823.3	790.1	784.0	962.9
Age														
Under 25	-7.5	15,361	16,598	16,702	30,833	3.6	348	336	331	277	103.7	101.8	102.7	174.9
25 to 44	-3.9	240,177	250,017	266,236	453,239	2.3	354	346	344	312	1,474.3	1,527.4	1,645.7	2,572.9
45 to 54	3.2	167,438	162,225	162,349	159,105	1.8	344	338	335	311	979.1	949.3	964.9	890.0
55 and Over	5.3	107,892	102,415	97,010	82,412	1.6	331	326	322	299	664.8	616.5	587.5	487.1
Seasonality⁴														
Seasonal	0.3	440,558	439,265	442,847	547,599	1.5	347	342	339	311	2,644.4	2,593.6	2,645.7	3,155.8
Non-seasonal	-1.8	90,310	91,990	99,470	177,990	4.3	341	327	328	302	577.5	601.4	655.3	969.1
NATIONAL	-0.1	530,868	531,255	542,317	725,589	1.9	346	339	337	309	3,221.9	3,195.0	3,301.0	4,124.9

Source: EI administrative data.

N/A: Not applicable.

1. This table includes both regular and fishing claims.

2. Includes claims on which at least \$1 of regular or fishing benefits was paid.

3. Takes into account Family Supplement top-ups paid to frequent claimants.

4. Individuals who started previous claims at about the same time of the year as their current claim are considered seasonal claimants.

Annex 2.7

Special Benefits¹

Province/Territory	New Claims ²						Amount Paid ³					
	% Change 2004/05- 2005/06	New Claims ²					% Change 2004/05- 2005/06	Amount Paid ³				
		2005/06	2004/05	2003/04	1995/96	1995/96		2005/06	2004/05	2003/04	2004/05	2003/04
Newfoundland and Labrador	-0.6	9,640	9,700	10,130	5,800	5,800	-2.4	55.7	57.1	52.0	21.3	
Prince Edward Island	-0.2	4,190	4,200	4,140	2,030	2,030	3.6	20.9	20.2	21.0	6.2	
Nova Scotia	6.0	20,660	19,490	19,030	13,030	13,030	2.5	114.5	111.7	103.7	45.0	
New Brunswick	5.8	22,200	20,990	20,340	12,100	12,100	7.3	108.8	101.4	101.8	38.1	
Quebec	-4.9	140,610	147,900	147,910	99,600	99,600	3.5	966.3	933.6	894.2	382.2	
Ontario	4.2	177,600	170,470	170,990	138,850	138,850	4.1	1,589.0	1,526.2	1,480.5	683.9	
Manitoba	6.3	17,750	16,700	16,990	13,280	13,280	4.3	130.2	124.8	121.9	55.4	
Saskatchewan	8.8	13,010	11,960	12,220	9,920	9,920	8.0	100.3	92.9	94.7	41.1	
Alberta	1.6	45,970	45,230	44,710	31,650	31,650	3.5	403.9	390.2	368.9	132.7	
British Columbia	3.3	68,250	66,060	65,700	53,520	53,520	4.0	491.3	472.3	455.4	213.6	
Nunavut	-24.3	280	370	370	N/A	N/A	-0.8	3.4	3.4	3.3	N/A	
Northwest Territories	0.0	550	550	590	880	880	21.3	6.3	5.2	6.3	5.2	
Yukon	-14.6	410	480	390	350	350	3.2	4.3	4.2	4.1	1.7	
Sex												
Men	5.1	162,640	154,770	154,560	93,680	93,680	6.6	599.8	562.7	540.1	230.6	
Women	-0.2	358,480	359,330	358,950	287,330	287,330	3.5	3,395.1	3,280.6	3,167.8	1,395.7	
Age												
Under 25	-3.7	54,610	56,680	59,290	41,100	41,100	0.9	365.2	362.1	370.6	121.0	
25 to 44	-0.6	331,210	333,100	336,850	266,970	266,970	4.0	3,220.4	3,097.9	2,994.8	1,321.7	
45 to 54	8.4	82,970	76,550	73,160	45,510	45,510	5.6	250.6	237.2	214.1	111.2	
55 and Over	9.5	52,330	47,770	44,210	27,430	27,430	8.7	158.7	146.0	128.1	72.4	
NATIONAL	1.4	521,120	514,100	513,510	381,010	381,010	3.9	3,994.9	3,843.2	3,707.9	1,626.3	

Source: EI administrative data.

N/A: Not applicable.

1. For a breakdown of maternity, parental, sickness and compassionate care benefits, please see tables 2.8, 2.9, 2.10, 2.11 and 2.12.
2. Includes claims on which at least \$1 of maternity, parental, sickness or compassionate care benefits was paid.
3. Takes into account Family Supplement top-ups paid to claimants with special benefits.

Annex 2.8

Maternity Benefits

Province/Territory	New Claims ¹			Average Number of Weeks Paid			Average Weekly Benefit ²			Amount Paid ²									
	% Change			% Change			% Change			% Change									
	2004/05-2005/06	2005/06	2004/05	2004/05-2005/06	2005/06	2004/05	2004/05-2005/06	2005/06	2004/05	2004/05-2005/06	2005/06	2004/05	2003/04						
Newfoundland and Labrador	-7.0	2,540	2,730	2,800	2,000	14.3	14.2	14.1	14.4	0.9	293	290	289	283	-3.0	11.2	11.6	10.9	8.2
Prince Edward Island	-3.1	940	970	1,040	660	14.0	14.5	14.7	14.4	0.5	278	277	278	250	-7.7	3.8	4.1	4.2	2.3
Nova Scotia	3.3	5,350	5,180	5,540	4,360	14.4	14.5	14.4	14.5	2.7	300	293	284	256	1.9	23.5	23.1	22.6	16.8
New Brunswick	5.1	4,940	4,700	4,700	3,400	14.5	14.5	14.5	14.3	4.0	293	282	285	254	9.1	21.2	19.4	20.4	12.8
Quebec	-27.7	34,330	47,460	47,390	42,590	14.7	14.5	14.5	14.4	3.0	319	309	302	271	-5.4	206.2	218.0	211.5	167.7
Ontario	1.5	82,760	81,570	81,440	71,760	14.6	14.6	14.6	14.6	1.3	328	324	321	305	3.7	400.7	386.5	383.9	321.4
Manitoba	6.5	7,170	6,730	6,780	6,180	14.6	14.7	14.5	14.5	0.6	298	296	289	263	6.7	31.5	29.5	29.5	24.2
Saskatchewan	16.0	6,240	5,360	5,720	5,140	14.6	14.7	14.6	14.5	3.9	301	290	285	264	18.7	26.8	22.6	24.4	19.4
Alberta	10.2	23,050	20,920	22,150	16,010	14.7	14.6	14.5	14.4	3.7	316	305	299	275	10.1	104.6	95.0	96.0	61.7
British Columbia	3.8	23,860	22,980	23,300	19,760	14.6	14.5	14.5	14.5	2.2	310	303	303	295	5.5	108.5	102.8	103.3	82.9
Nunavut	-13.3	130	150	250	N/A	14.5	14.8	14.4	N/A	5.5	380	360	341	N/A	2.8	0.8	0.8	1.2	N/A
Northwest Territories	-17.2	240	290	300	560	15.0	14.1	14.7	14.1	-1.6	364	370	377	345	17.8	1.5	1.3	1.6	2.7
Yukon	-53.3	140	300	200	160	14.4	14.0	14.1	13.7	1.9	333	327	333	317	-33.4	0.9	1.3	0.9	0.7
Age																			
Under 25	-5.2	28,170	29,700	31,930	20,610	14.4	14.4	14.4	14.3	5.5	221	209	211	193	2.3	96.7	94.6	101.0	57.7
25 and Over	-3.6	163,520	169,660	169,680	151,970	14.6	14.6	14.6	14.5	1.6	335	330	325	300	2.8	844.6	821.7	809.5	663.2
NATIONAL	-3.8	191,690	199,360	201,610	172,580	14.6	14.6	14.5	14.5	2.1	318	312	307	287	2.7	941.4	916.2	910.6	720.9

Source: EI administrative data.

N/A: Not applicable.

1. Includes claims on which at least \$1 of maternity benefits was paid.
2. Takes into account Family Supplement top-ups paid to claimants with maternity benefits.

Annex 2.9

Parental Benefits (Biological)

	New Claims ¹				Average Number of Weeks Paid ²				Average Weekly Benefit ³				Amount Paid ⁴								
	% Change	2005/06	2004/05	2003/04	1995/96	% Change	2005/06 ¹	2004/05 ¹	2003/04 ¹	1995/96	% Change	2005/06	2004/05	2003/04	1995/96	% Change	2005/06	2004/05	2003/04	1995/96	
	2004/05-2005/06					2004/05-2005/06					2004/05-2005/06					2004/05-2005/06					
Province/Territory																					
Newfoundland and Labrador	-3.3	2,650	2,740	2,860	1,840	3.0	28.9	28.1	27.5	9.1	2.1	307	301	284	289	-1.4	24.4	24.7	23.3	4.9	
Prince Edward Island	5.0	1,060	1,010	1,060	640	6.0	27.0	25.5	29.4	9.1	0.8	292	290	287	254	2.6	8.9	8.7	9.0	1.2	
Nova Scotia	3.0	5,890	5,720	6,040	4,180	-3.8	26.5	27.6	27.3	9.2	2.8	317	309	302	259	1.1	52.2	51.6	46.2	10.6	
New Brunswick	6.2	5,330	5,020	5,260	3,200	1.3	27.6	27.2	26.4	9.4	2.4	308	300	304	263	5.6	45.2	42.8	45.0	8.0	
Quebec	-21.3	46,260	58,750	57,750	41,980	3.4	25.9	25.0	25.0	9.3	3.1	335	325	319	275	6.6	506.8	475.4	449.8	110.2	
Ontario	2.9	92,230	89,610	90,000	70,550	0.8	29.3	29.0	28.9	9.5	1.3	338	334	332	308	3.5	913.7	882.9	853.1	204.5	
Manitoba	2.5	7,840	7,650	7,400	5,980	0.1	29.2	29.2	29.7	9.5	0.5	310	309	301	266	2.4	69.5	67.9	65.4	15.9	
Saskatchewan	14.5	6,730	5,880	6,180	4,860	1.3	29.6	29.2	29.9	9.3	3.5	312	301	297	271	7.2	55.7	52.0	53.3	12.0	
Alberta	8.9	24,350	22,370	23,060	14,860	-0.2	30.1	30.1	30.3	9.4	4.1	327	314	309	279	2.1	225.6	220.9	204.5	36.3	
British Columbia	5.1	26,410	25,120	25,230	19,220	2.8	29.5	28.7	29.2	9.4	2.5	323	316	316	301	3.8	246.8	237.7	230.1	51.6	
Nunavut	-10.5	170	190	240	N/A	-13.7	24.4	28.3	25.4	N/A	4.2	385	369	348	N/A	-5.7	1.9	2.0	1.4	N/A	
Northwest Territories	-13.9	310	360	350	480	14.8	27.5	23.9	26.6	9.5	1.0	378	374	383	344	20.2	3.7	3.1	3.6	1.5	
Yukon	-40.0	180	300	190	150	-25.9	21.6	29.1	25.8	8.9	5.8	353	334	340	334	12.2	2.6	2.3	2.3	0.5	
Sex																					
Men	2.6	34,060	33,210	32,150	8,030	0.8	14.3	14.2	14.1	7.7	1.2	376	372	372	361	7.3	193.2	180.1	170.3	20.6	
Women	-3.2	185,350	191,510	193,470	159,910	1.5	30.8	30.3	30.3	9.5	2.2	323	316	312	288	3.8	1,963.7	1,891.9	1,816.8	436.5	
Age																					
Under 25	-4.2	28,410	29,660	31,600	18,850	2.9	29.5	28.7	28.4	9.2	5.6	237	224	225	196	-0.8	208.7	210.5	212.5	34.9	
25 and Over	-2.1	191,000	195,060	194,020	149,090	1.3	28.2	27.8	27.9	9.4	1.7	345	339	336	304	4.7	1,948.2	1,861.5	1,774.4	422.2	
NATIONAL	-2.4	219,410	224,720	225,620	167,940	1.5	28.4	27.9	28.0	9.4	2.1	331	324	320	292	4.1	2,156.9	2,072.0	1,987.1	457.1	

Source: EI administrative data.
N/A: Not applicable.

1. Includes claims on which at least \$1 of parental benefits (biological) was paid.
2. As of December 31, 2000, the number of weeks of entitlement for parental benefits was increased from 10 to 35.
3. Takes into account Family Supplement top-ups paid to claimants with parental (biological) benefits.
4. To ensure that the analysis of weeks paid is based on completed claims, the data cover only claims commencing during the first half of the period.

Parental Benefits (Adoptive)

Province/Territory	New Claims ¹			Average Number of Weeks Paid ²			Average Weekly Benefit ³			Amount Paid ³						
	% Change	2004/05	2003/04	2004/05	2004/05 ⁴	2003/04 ⁴	2004/05	2004/05	2003/04	2004/05	2003/04	1995/96				
	2004/05-2005/06	2005/06	2005/06	2005/06 ⁴	2005/06 ⁴	1995/96	2005/06	2005/06	1995/96	2005/06	2004/05	2003/04				
	% Change	2004/05-2005/06	2004/05-2005/06	% Change	2004/05-2005/06	2004/05-2005/06	% Change	2004/05-2005/06	2004/05-2005/06	% Change	2004/05-2005/06	2004/05-2005/06				
Newfoundland and Labrador	0.0	20	60	10	10	11.0	-34.5	271	413	308	445	0.06	0.63	0.24	0.05	
Prince Edward Island	-100.0	0	10	30	10	10.0	-100.0	0	401	313	252	0.01	0.16	0.30	0.01	
Nova Scotia	7.7	140	130	120	20	6.0	-4.7	364	382	350	373	1.45	1.23	0.65	0.05	
New Brunswick	0.0	60	60	50	40	10.3	5.1	333	317	322	254	0.43	0.54	0.45	0.14	
Quebec	-34.4	630	960	930	650	11.2	1.2	379	374	379	353	7.26	10.61	9.22	2.26	
Ontario	-3.5	1,090	1,130	1,060	360	11.8	-0.9	382	386	374	345	11.98	11.09	10.40	1.54	
Manitoba	-30.8	90	130	100	50	10.0	3.9	329	317	265	360	1.01	1.02	0.71	0.21	
Saskatchewan	-11.1	80	90	100	30	11.0	-8.9	324	356	378	329	0.93	1.03	1.08	0.14	
Alberta	68.4	320	190	290	110	10.5	3.2	379	367	373	324	3.00	2.63	2.73	0.37	
British Columbia	16.7	350	300	390	220	9.2	-5.8	371	394	361	335	3.43	4.74	3.41	0.65	
Nunavut	-57.1	30	70	40	N/A	N/A	3.1	345	335	316	N/A	0.34	0.32	0.38	N/A	
Northwest Territories	100.0	20	10	20	50	8.6	59.5	413	259	413	357	0.07	0.14	0.11	0.15	
Yukon	N/A	0	0	0	0	0.0	N/A	0	0	0	0	0.00	0.00	0.00	0.00	
Sex																
Men	9.8	670	610	580	230	9.7	1.3	403	398	384	387	4.99	4.76	3.10	0.69	
Women	-13.3	2,160	2,490	2,610	1,320	11.0	-1.4	365	370	363	337	24.99	29.38	26.58	4.87	
Age																
Under 25	0.0	20	20	40	30	10.0	-11.3	307	346	286	306	0.20	0.16	0.25	0.07	
25 and Over	-8.8	2,810	3,080	3,150	1,520	10.8	-0.4	374	376	368	345	29.77	33.97	29.43	5.49	
NATIONAL	-8.7	2,830	3,100	3,190	1,550	10.8	-0.5	374	375	367	344	29.97	34.14	29.68	5.56	

Source: EI administrative data.

N/A: Not applicable.

1. Includes claims on which at least \$1 of parental benefits (adoptive) was paid.
2. As of December 31, 2000, the number of weeks of entitlement for parental benefits was increased from 10 to 35.
3. Takes into account Family Supplement top-ups paid to claimants with parental (adoptive) benefits.
4. To ensure that the analysis of weeks paid is based on completed claims, the data cover only claims commencing during the first half of the period.

Annex 2.11

Sickness Benefits

Province/Territory	New Claims ¹				Average Number of Weeks Paid				Average Weekly Benefit ²				Amount Paid ²								
	% Change	2005/06	2004/05	2003/04	1995/96	% Change	2005/06	2004/05	2003/04	1995/96	% Change	2005/06	2004/05	2003/04	1995/96	% Change	2005/06	2004/05	2003/04	1995/96	
	2004/05 - 2005/06					2004/05 - 2005/06					2004/05 - 2005/06					2004/05 - 2005/06					
Newfoundland and Labrador	1.8	7,530	7,400	7,690	3,940	2.0	9.4	9.2	8.9	8.8	2.0	272	266	259	249	-0.4	20.0	20.1	17.6	8.2	
Prince Edward Island	0.3	3,350	3,340	3,210	1,410	0.7	7.8	7.8	8.6	8.5	6.9	289	270	267	234	13.3	8.0	7.1	7.5	2.7	
Nova Scotia	8.3	15,450	14,270	13,630	8,760	-0.3	9.1	9.1	9.1	8.9	4.4	280	268	265	234	4.5	37.1	35.5	34.2	17.5	
New Brunswick	7.1	17,700	16,520	15,660	8,900	-0.4	8.3	8.3	8.3	8.2	4.1	287	276	274	240	8.6	41.8	38.5	35.9	17.2	
Quebec	6.3	94,310	88,680	90,130	54,550	1.5	9.0	8.9	8.9	8.3	3.6	291	281	276	244	7.3	244.9	228.4	223.4	102.0	
Ontario	6.6	86,840	81,500	82,860	66,370	0.4	10.0	9.9	9.7	9.3	2.5	301	293	289	265	6.9	259.3	242.5	232.4	156.4	
Manitoba	8.3	10,030	9,260	9,740	7,050	-0.5	10.1	10.1	9.8	9.1	2.8	282	274	267	240	6.2	27.9	26.2	26.3	15.1	
Saskatchewan	4.8	6,540	6,240	6,360	4,920	1.4	9.8	9.6	9.7	8.9	0.3	276	275	261	238	-2.3	16.6	17.0	15.8	9.6	
Alberta	-5.3	22,490	23,760	22,240	15,850	1.8	10.3	10.1	10.1	9.3	2.8	301	292	283	243	-1.1	69.8	70.6	65.4	34.3	
British Columbia	3.1	44,190	42,860	41,950	34,240	0.6	10.0	10.0	9.8	9.1	1.6	295	290	287	271	4.5	131.4	125.7	118.1	78.4	
Nunavut	-33.3	80	120	80	N/A	41.4	10.3	7.3	9.0	N/A	11.3	386	347	337	N/A	20.1	0.3	0.2	0.3	N/A	
Northwest Territories	55.6	280	180	230	300	-12.7	8.5	9.8	10.3	7.6	-2.4	367	377	343	329	50.0	1.1	0.7	0.9	0.8	
Yukon	9.1	240	220	210	190	12.6	9.4	8.4	7.6	7.6	-2.2	315	322	318	331	48.6	0.9	0.6	0.9	0.5	
Sex																					
Men	5.7	127,430	120,550	122,040	85,600	1.6	9.3	9.1	9.1	8.8	2.0	332	325	320	300	6.3	399.2	375.6	366.0	209.3	
Women	4.5	181,600	173,800	171,950	120,880	0.2	9.7	9.7	9.5	9.0	3.6	266	257	252	222	5.1	459.9	437.6	412.4	233.4	
Age																					
Under 25	-1.4	29,360	29,770	30,630	21,010	0.9	8.4	8.4	8.2	7.4	4.7	236	226	221	190	4.5	59.4	56.8	56.8	28.3	
25 to 44	3.0	148,110	143,800	148,170	112,970	0.9	9.3	9.2	9.1	8.5	2.9	299	290	286	259	4.2	409.5	392.8	391.2	232.8	
45 to 54	8.2	79,980	73,910	71,440	45,110	-0.5	9.8	9.8	9.8	9.6	2.1	303	296	292	264	6.1	234.2	220.6	203.8	109.5	
55 and Over	10.0	51,580	46,870	43,750	27,390	1.0	10.5	10.4	10.3	10.5	2.4	296	289	284	265	9.2	156.1	142.9	126.6	72.1	
NATIONAL	5.0	309,030	294,350	293,990	206,480	0.8	9.5	9.5	9.4	8.9	2.9	293	285	280	254	5.7	859.2	813.2	778.5	442.7	

Source: EI administrative data.

N/A: Not applicable.

1. Includes claims on which at least \$1 of sickness benefits was paid.

2. Takes into account Family Supplement top-ups paid to claimants with sickness benefits.

Compassionate Care Benefits

	New Claims ¹			Average Number of Weeks Paid			Average Weekly Benefit ²			Amount Paid ²				
	% Change			% Change			% Change			% Change				
	2004/05-2005/06	2005/06	2004/05 2003/04 ³	2004/05-2005/06	2005/06	2004/05 2003/04 ³	2004/05-2005/06	2005/06	2004/05 2003/04 ³	2004/05-2005/06	2005/06	2004/05 2003/04 ³		
Province/Territory														
Newfoundland and Labrador	18.0	72	61	40	3.7	4.8	4.7	4.6	276	266	244	96.7	76.8	23.2
Prince Edward Island	-2.9	33	34	16	18.7	5.1	4.3	4.4	314	310	281	60.0	43.1	11.4
Nova Scotia	8.8	197	181	90	-1.2	4.8	4.9	5.0	282	282	273	279.4	234.5	62.9
New Brunswick	-5.7	116	123	62	2.3	4.7	4.6	4.9	292	277	264	167.3	144.8	46.4
Quebec	7.4	869	809	436	1.8	4.5	4.4	4.3	308	296	293	1,217.6	1,075.8	233.0
Ontario	21.3	2,284	1,883	831	0.5	4.7	4.7	4.7	329	324	322	3,458.8	2,796.1	685.1
Manitoba	8.5	205	189	121	1.1	4.6	4.5	4.7	314	306	299	288.3	277.4	82.2
Saskatchewan	-8.6	148	162	68	-3.8	4.6	4.8	4.8	302	300	290	212.9	226.2	51.1
Alberta	-2.1	504	515	245	-2.5	4.7	4.8	4.9	329	328	313	797.6	776.4	219.0
British Columbia	-11.1	718	808	424	2.3	4.9	4.8	4.7	327	322	315	1,169.8	1,235.7	320.1
Nunavut	133.3	7	3	2	25.3	5.4	4.3	6.0	386	371	349	19.2	2.8	1.7
Northwest Territories	71.4	12	7	9	-0.8	4.3	4.3	4.7	400	348	350	16.4	17.8	6.6
Yukon	85.7	13	7	4	30.8	5.2	4.0	4.8	355	384	413	22.8	12.8	4.1
Sex														
Men	9.2	1,372	1,256	694	1.4	4.8	4.7	4.7	361	357	351	2,455.1	2,139.1	546.0
Women	7.9	3,806	3,526	1,654	0.3	4.6	4.6	4.7	306	299	289	5,351.8	4,781.0	1,200.9
Age														
Under 25	-1.6	120	122	47	-1.9	4.8	4.9	5.0	270	259	232	165.0	155.0	27.7
25 to 44	3.1	2,244	2,177	1,041	2.5	4.6	4.5	4.6	331	325	316	3,505.7	3,129.6	787.7
45 to 54	15.0	1,843	1,602	802	-2.5	4.6	4.7	4.6	323	315	313	2,707.2	2,374.1	600.2
55 and Over	10.2	971	881	458	2.0	5.0	4.9	4.9	297	295	287	1,429.0	1,261.4	331.2
NATIONAL	8.3	5,178	4,782	2,348	0.6	4.7	4.7	4.7	320	314	308	7,806.9	6,920.2	1,746.8

Source: EI administrative data.

N/A- Not applicable.

1. Includes claims on which at least \$1 of compassionate care benefits was paid.

2. Takes into account Family Supplement top-ups paid to claimants with compassionate care benefits.

3. As compassionate care benefits became available on January 4, 2004, data reflect only the last three months of 2003/04.

Annex 2.13

Family Supplement¹

Province/Territory	New Claims ² with Supplement	% of All Claims with Supplement	Average Weekly Top-up (\$)	Average Weekly Benefit (\$)	Amount Paid					
					Amount Paid (\$000s)	Share of Total Amount (%)	% Change			
							2004/05	2003/04	2004/05-2005/06	1995/96
Newfoundland and Labrador	6,190	6.7	43	270	7,654	4.5	7,825	8,024	5,498	-2.2
Prince Edward Island	2,150	8.8	44	270	2,493	1.5	2,650	2,960	2,164	-5.9
Nova Scotia	8,500	9.7	44	261	9,769	5.8	9,665	10,026	6,100	1.1
New Brunswick	8,400	9.1	42	267	9,357	5.5	9,788	10,329	6,615	-4.4
Quebec	43,860	7.7	42	273	46,510	27.5	48,770	52,217	35,769	-4.6
Ontario	44,950	8.3	42	266	47,755	28.2	48,358	50,600	27,083	-1.2
Manitoba	6,540	12.0	47	270	7,713	4.6	8,649	8,920	4,083	-10.8
Saskatchewan	5,170	12.1	50	265	6,694	4.0	6,193	6,548	2,791	8.1
Alberta	10,790	9.2	43	263	11,748	6.9	12,721	14,916	7,927	-7.6
British Columbia	17,740	9.2	43	268	19,154	11.3	20,636	21,938	10,224	-7.2
Nunavut	70	5.5	47	348	135	0.1	123	179	N/A	9.5
Northwest Territories	170	8.1	41	335	193	0.1	199	221	168	-2.8
Yukon	200	7.9	40	293	213	0.1	215	162	92	-1.0
Sex										
Men	38,060	3.9	43	308	36,273	21.4	39,801	44,064	25,355	-8.9
Women	116,670	13.6	43	255	133,115	78.6	135,990	142,975	83,159	-2.1
Age										
Under 25	22,310	10.4	37	222	27,733	16.4	28,669	30,355	10,376	-3.3
25 to 44	111,810	11.5	45	276	126,334	74.6	131,946	140,774	84,067	-4.3
45 to 54	18,600	4.7	38	276	13,783	8.1	13,663	14,292	11,863	0.9
55 and Over	2,010	0.8	34	270	1,535	0.9	1,513	1,599	2,208	1.5
EI History³										
First-time Claimants	79,410	10.5	42	254	94,719	55.9	98,479	103,491	37,582	-3.8
Occasional Claimants	48,240	9.2	44	275	50,561	29.8	52,276	56,556	42,737	-3.3
Frequent Claimants	27,080	4.9	41	297	24,107	14.2	25,035	26,993	28,195	-3.7
NATIONAL	154,730	8.5	43	268	169,387	100.0	175,791	187,039	108,514	-3.6

Source: EI administrative data.

N/A: Not applicable.

1. Includes all claim types (regular, fishing and special).

2. Includes claims on which at least \$1 of EI benefits was paid.

3. First-time claimants are defined as individuals who did not have a claim in the five years prior to their current claim. Occasional claimants are defined as individuals who have had fewer than three active claims in the five years prior to their current claim. Frequent claimants are defined as individuals who have had three or more active claims in the five years prior to their current claim.

Annex 2.14

Working While on Claim¹

Province/Territory	New Regular Claims					Percentage Change					As % of New Regular Claims				
	2004/05 ²	2003/04	2002/03	1996/97		2003/04-2004/05	2002/03-2003/04	1996/97-1997/98		2004/05	2003/04	2002/03	1996/97		
Newfoundland and Labrador	52,150	50,870	50,510	50,520		2.5	0.7	-0.8		70.3	67.7	67.6	72.1		
Prince Edward Island	11,470	11,530	12,200	14,040		-0.5	-5.5	2.6		61.2	59.4	62.8	68.3		
Nova Scotia	42,760	43,030	43,760	53,150		-0.6	-1.7	-4.8		59.8	59.7	60.4	70.1		
New Brunswick	53,400	54,100	52,440	62,280		-1.3	3.2	0.0		67.9	67.3	67.3	69.6		
Quebec	281,280	290,760	280,430	369,110		-3.3	3.7	-7.7		58.6	57.2	58.1	67.9		
Ontario	177,070	184,870	176,640	231,710		-4.2	4.7	-11.3		46.4	45.4	46.1	53.7		
Manitoba	19,050	20,250	18,720	24,940		-5.9	8.2	-6.4		48.6	46.9	46.3	55.1		
Saskatchewan	17,120	18,330	17,500	20,600		-6.6	4.7	-6.2		50.2	51.5	51.7	58.0		
Alberta	39,360	47,070	49,690	61,430		-16.4	-5.3	-14.4		47.5	48.3	50.3	59.4		
British Columbia	80,580	93,250	91,750	120,270		-13.6	1.6	-1.6		54.6	54.7	56.2	61.4		
Nunavut	510	470	290	N/A		8.5	62.1	N/A		56.0	47.5	37.7	N/A		
Northwest Territories	820	920	1050	1,800		-10.9	-12.4	-13.3		53.6	44.9	55.6	62.5		
Yukon	1,190	1,220	1,550	1,570		-2.5	-21.3	14.6		54.3	53.7	60.3	57.3		
Sex															
Men	452,600	485,490	476,830	590,650		-6.8	1.8	-4.1		53.8	53.1	54.2	62.8		
Women	324,160	331,180	319,700	420,770		-2.1	3.6	-11.1		56.6	55.2	55.9	62.2		
Age															
Under 25	86,720	95,340	93,190	132,760		-9.0	2.3	-11.2		51.6	51.3	52.8	62.3		
25 to 44	397,560	432,500	434,030	615,600		-8.1	-0.4	-8.4		55.4	54.6	55.7	64.3		
45 to 54	202,570	201,430	190,270	190,600		0.6	5.9	-0.7		59.9	58.1	58.3	64.0		
55 and Over	89,910	87,400	79,000	72,460		2.9	10.6	-4.2		47.4	46.0	46.7	48.5		
Weekly Benefit Rate															
Less than \$50	240	340	290	410		-29.4	17.2	197.6		34.8	43.0	42.0	51.9		
\$50-\$100	5,920	7,510	7,530	26,390		-21.2	-0.3	-4.3		50.3	51.8	49.5	57.9		
\$101-\$150	31,880	39,310	42,820	101,580		-18.9	-8.2	-5.4		52.6	54.0	55.1	59.5		
\$151-\$200	76,410	84,590	88,360	147,670		-9.7	-4.3	-6.0		53.0	51.9	53.9	59.6		
Greater than \$200	662,310	684,920	657,530	735,370		-3.3	4.2	-7.7		55.4	54.2	55.1	63.8		
NATIONAL	776,760	816,670	796,530	1,011,420		-4.9	2.5	-7.0		55.0	53.9	54.9	62.6		

Source: EI administrative data.

N/A: Not applicable.

1. The definition of working while on claim includes all claimants who earned income during their EI benefits period.

2. The data are lagged by one year to ensure that claims are completed.

Annex 2.15

Benefit Repayment Provision

Province/Territory	People Who Repaid Benefits					Amount Repaid				
	% Change 2003-2004	2004	2003	2002	1997	% Change 2003-2004	(\$ Millions)			
							2004	2003	2002	1997
Newfoundland and Labrador	17.3	4,751	4,052	3,135	2,136	-3.0	7.18	7.41	4.70	2.62
Prince Edward Island	-12.6	608	696	716	417	-16.6	1.33	1.59	2.10	0.81
Nova Scotia	-9.0	4,938	5,425	4,999	2,749	-18.9	7.98	9.84	8.22	3.50
New Brunswick	28.9	3,171	2,461	2,334	1,449	26.7	4.33	3.41	3.76	1.65
Quebec	16.9	31,205	26,700	22,254	15,969	20.3	28.62	23.79	19.69	14.95
Ontario	-1.6	41,586	42,248	39,978	30,906	-3.3	31.88	32.95	26.56	25.81
Manitoba	17.5	1,608	1,368	1,261	1,387	13.6	1.40	1.23	1.18	1.21
Saskatchewan	2.7	2,603	2,535	2,299	1,617	6.2	2.56	2.41	2.13	1.22
Alberta	8.4	15,583	14,377	12,037	8,336	7.9	15.00	13.90	11.76	6.40
British Columbia	8.8	15,215	13,979	13,639	14,120	3.2	13.22	12.82	12.39	11.54
Nunavut	N/A	0	0	2	N/A	N/A	0.00	0.00	0.00	N/A
Northwest Territories	10.5	294	266	238	372	27.9	0.32	0.25	0.24	0.35
Yukon	3.5	239	231	186	266	-1.5	0.25	0.26	0.20	0.25
Sex										
Men	6.4	109,977	103,407	93,849	67,451	4.1	104.9	100.8	86.3	58.2
Women	8.1	11,831	10,944	9,241	12,285	0.6	9.1	9.1	6.7	12.2
Age										
Under 25	19.1	2,824	2,372	2,026	1,280	13.9	2.4	2.1	1.7	0.8
25 to 44	3.0	56,614	54,973	50,308	43,138	-1.9	48.0	49.0	41.9	35.7
45 to 54	6.4	35,969	33,794	31,173	20,790	3.4	32.7	31.6	27.5	18.3
55 and Over	13.7	26,401	23,212	19,583	14,528	13.9	31.0	27.2	21.8	15.5
NATIONAL¹	6.5	121,808	114,351	103,090	79,736	3.8	114.08	109.88	92.95	70.33

Source: Benefit Repayment-Administrative File (September 2006).

N/A: Not applicable.

1. Provincial figures do not add up to the national total because non-residents are included.

Annex 2.17

Regular Benefits-to-Contributions Ratios, 2004¹

	Total EI Premiums		Regular Benefits in 2004		Regular Benefits-to-Contributions Ratios	Adjusted Regular Benefits-to-Contributions Ratios ²
	(\$ Millions)	% of National Total	(\$ Millions)	% of National Total		
Province/Territory³						Canada = 1
Newfoundland and Labrador	233	1.3	542	6.6	2.32	4.98
Prince Edward Island	71	0.4	113	1.4	1.60	3.43
Nova Scotia	474	2.7	427	5.2	0.90	1.93
New Brunswick	385	2.2	502	6.1	1.30	2.79
Quebec	4,117	23.3	2,660	32.3	0.65	1.39
Ontario	7,019	39.7	2,191	26.6	0.31	0.67
Manitoba	619	3.5	201	2.4	0.32	0.70
Saskatchewan	469	2.7	181	2.2	0.39	0.83
Alberta	2,042	11.6	477	5.8	0.23	0.50
British Columbia	2,157	12.2	907	11.0	0.42	0.90
Nunavut	19	0.1	7	0.1	0.36	0.77
Northwest Territories	38	0.2	14	0.2	0.38	0.82
Yukon	21	0.1	17	0.2	0.81	1.73
Sex						
Men	10,042	56.8	5,403	65.6	0.54	1.15
Women	7,623	43.2	2,834	34.4	0.37	0.80
Age						
Under 25	1,559	8.8	784	9.5	0.50	1.08
25 to 44	9,123	51.6	4,300	52.2	0.47	1.01
45 to 54	4,750	26.9	1,986	24.1	0.42	0.90
55 and Over	2,213	12.5	1,167	14.2	0.53	1.13
Industries						
Agriculture, Forestry, Fishing and Hunting	194	1.1	572	6.9	2.95	6.33
Mining and Oil and Gas Extraction	268	1.5	140	1.7	0.52	1.12
Utilities	191	1.1	28	0.3	0.15	0.32
Construction	1,021	5.8	1,357	16.5	1.33	2.85
Manufacturing	2,902	16.4	1,487	18.0	0.51	1.10
Wholesale Trade	937	5.3	357	4.3	0.38	0.82
Retail Trade	1,467	8.3	468	5.7	0.32	0.68
Transportation and Warehousing	867	4.9	318	3.9	0.37	0.79
Information and Cultural Industries	493	2.8	118	1.4	0.24	0.51
Finance and Insurance	835	4.7	123	1.5	0.15	0.31
Real Estate and Rental and Leasing	257	1.5	115	1.4	0.45	0.96
Professional, Scientific and Technical Services	944	5.3	409	5.0	0.43	0.93
Management of Companies and Enterprises	137	0.8	47	0.6	0.35	0.74
Administrative and Support, Waste Management and Remediation Services	661	3.7	456	5.5	0.69	1.48
Educational Services	1,357	7.7	384	4.7	0.28	0.61
Health Care and Social Assistance	1,537	8.7	270	3.3	0.18	0.38
Arts, Entertainment and Recreation	196	1.1	172	2.1	0.88	1.89
Accommodation and Food Services	598	3.4	373	4.5	0.62	1.34
Other Services	594	3.4	312	3.8	0.53	1.13
Public Administration	1,531	8.7	485	5.9	0.32	0.68
Unclassified	678	3.8	244	3.0	0.36	0.77
NATIONAL	17,665	100.0	8,237	100.0	0.47	1.00

Source: Canada Revenue Agency, 2004 T4s with employment income; EI administrative data.

- As premium payments are administered through the tax system, the most recent data available are for the 2004 taxation year.
- For ease of analysis, the benefits-to-contributions ratios have been adjusted so the national figure equals one.
- Province, territory and industry are determined by the location of the employer for premiums, and of the claimant for benefits.

Annex 3 Employment Benefits and Support Measures Data Tables

- 3.1 Overview of Labour Market Development Agreements
- 3.2 Employment Insurance (EI) Part II – General Definitions
- 3.3 EBSMs – Program Definitions
- 3.4 EBSM Client Profile
- 3.5 Regular EBSMs – Clients Served by Client Type
- 3.6 New Interventions
- 3.7 EBSM Designated Members – Women
- 3.8 EBSM Designated Members – Persons with Disabilities
- 3.9 EBSM Designated Members – Aboriginal People
- 3.10 EBSM Designated Members – Visible Minorities
- 3.11 EBSMs and Pan-Canadian Activities: Part I – Final Expenditures
- 3.12 EBSMs: Part II – Final Expenditures
- 3.13 EI Part II Pan-Canadian – Final Expenditures
- 3.14 Returns to Employment and Unpaid Benefits Indicators
- 3.15 Returns to Employment, by Intervention (Regular EBSMs)

Annex 3.1

Overview of Labour Market Development Agreements

Federal/Provincial/Territorial						
Province/ Territory	Type of Agreement	Signature Date	Implementation Date	Allocation (\$000s) ¹		
				2006/07	2005/06	2004/05
Newfoundland and Labrador	Co-management	March 24, 1997	March 24, 1997	131,888	131,434	130,919
Prince Edward Island	Co-management	April 26, 1997	April 26, 1997	26,470	26,292	26,200
Nova Scotia	Co-management (Strategic Partnership)	April 24, 1997	November 1, 1997	81,034	81,045	81,248
New Brunswick	Transfer	December 13, 1996	April 1, 1997	92,325	92,242	92,201
Quebec	Transfer	April 21, 1997 November 28, 1997	April 1, 1998	595,774	596,049	596,171
Ontario	Transfer in effect June 2007	November 23, 2005	January 1, 2007	526,701	525,028	524,651
Manitoba	Transfer	April 17, 1997	November 27, 1997	47,046	47,349	47,891
Saskatchewan	Transfer	February 6, 1998	January 1, 1999	38,972	39,009	38,981
Alberta	Transfer	December 6, 1996	November 1, 1997	108,850	109,691	110,194
British Columbia	Co-management	April 25, 1997	April 25, 1997	290,868	291,656	291,343
Northwest Territories	Transfer	February 27, 1998	October 1, 1998	3,402	3,467	3,526
Yukon	Co-management	January 24, 1998	January 24, 1998	3,887	3,973	4,026
Nunavut	Transfer	May 11, 2000	April 1, 2000	2,783	2,765	2,649
Canada				1,950,000	1,950,000	1,950,000

N/A: Not applicable.

1. This chart does not include funds that are transferred to cover administration costs.

Annex 3.2

Employment Insurance (EI) Part II – General Definitions

Eligibility for Employment Benefits and Support Measures (EBSMs) or similar programs funded under Part II

To be eligible for Employment Benefits, individuals must be unemployed and have a current EI claim as an “active EI client” or a claim that ended in the preceding three years as a “former EI client.” Those who began a maternity or parental claim in the preceding five years, after which they left the labour market to care for their newborn or newly adopted children, also qualify as former EI clients and are eligible for Employment Benefits upon re-entry into the labour market. Unemployed individuals who are neither active nor former EI clients are considered “non-insured” and are eligible only for those employment services available under the Employment Assistance Services (EAS) support measure or other employment services provided by the National Employment Service.

Labour Market Development Agreements (LMDAs)

LMDAs provide the frameworks in which EBSM delivery takes place. These agreements exist in two forms: co-managed agreements and transfer agreements. Nova Scotia has a Strategic Partnership. In those jurisdictions with co-managed agreements, each provincial or territorial government has assumed joint responsibility for the planning and evaluation of active employment measures, while Human Resources and Social Development Canada (HRSDC) continues to deliver programs and services through its service delivery network. In those jurisdictions with transfer agreements, provincial and territorial governments have assumed full responsibility for the design and delivery of active employment measures funded through the EI program, with evaluation remaining a joint responsibility (except in Quebec, where evaluation is the responsibility of the province, which discusses it with HRSDC). For more information on LMDAs, please refer to the 2000 Employment Insurance Monitoring and Assessment Report at <http://www.hrsdc.gc.ca/en/ei/reports/eimar.shtml>.

Apprentices

Funding for apprentices comes mainly from Part I. Individuals in receipt of EI Part I who take part in the classroom portion of apprenticeship training are given referrals under the authority of section 25 of the *Employment Insurance Act* so that they can continue to receive Part I benefits while doing so. In addition to Part I income benefits, depending on the model adopted by jurisdictions, apprentices may receive Part II support to cover additional expenses, such as travel. Although individuals are responsible for paying their own tuition costs, and apprenticeship is tuition free in some jurisdictions, it should be pointed out that agreements, which vary from region to region, are in place with the provinces and territories to cover certain expenses. In some jurisdictions, apprentices are included in these agreements.

Aboriginal Human Resources Development Strategy (AHRDS)

HRSDC negotiates agreements with Aboriginal organizations to give them the authority to design and deliver employment programs and services that reflect and serve the needs of Aboriginal people at the community level. Aboriginal Human Resources Development Agreement (AHRDA) holders typically perform a number of activities in the delivery of their programs and services. These activities may include, but are not limited to, negotiating budgets and targets; building organizational capacity; promoting programs; identifying, counselling and approving clients; determining client needs; and evaluating program results.

Under the AHRDS, there are 80 AHRDA holders across the country serving Aboriginal people and organizations. Each year, a total of approximately \$335 million in funding is allocated among the AHRDAs using the National Aboriginal Resource Allocation Model. Each region, territory or AHRDA is provided funding based on certain variables contained in the model, such as the unemployment rate, working-age population, employment income and remoteness. Of this \$335 million, approximately 30% comes from EI Part II.

Job Bank

Job Bank is an Internet service that helps connect employers to suitable workers and workers to suitable employment. It is the largest web-based network of job advertisements across Canada and is available to Canadian employers and job seekers free of charge. See <http://jb-ge.hrdc-drhc.gc.ca>.

Annex 3.3

EBSMs – Program Definitions

Employment Benefits (Programs)

Targeted Wage Subsidies assist eligible unemployed individuals to obtain on-the-job work experience by providing employers with financial assistance towards the wages of insured participants whom they hire. This benefit encourages employers to hire unemployed individuals whom they would not normally hire in the absence of a subsidy.

Targeted Earnings Supplements enable some people currently on EI or the longer-term unemployed to accept low-wage jobs. Temporarily topping up wages for low-wage jobs means that people who would not enter the work force at the lower wage rate can do so. (The Supplément de retour au travail in Quebec is the only intervention currently in place that is similar to this program.)

Self-Employment provides financial assistance and business planning advice to EI-eligible participants to help them start their own business. This financial assistance is intended to cover personal living expenses and other expenses during the initial stages of the business.

Job Creation Partnerships projects provide insured participants with opportunities to gain work experience that will lead to ongoing employment. Activities of the project help develop the community and the local economy.

Skills Development helps insured participants obtain employment skills through direct financial assistance to the participants that enable them to select, arrange for and pay for their own training.

Support Measures (Services)

Employment Assistance Services provides funding to organizations to enable them to provide employment services to unemployed persons. These services may include counselling, action planning, job search skills, job finding clubs, job placement services, the provision of labour market information, case management and follow-up.

Labour Market Partnerships provide funding to help employers, employee and/or employer associations, and communities to improve their capacity for dealing with human resources requirements and to implement labour force adjustments. These partnerships involve developing plans and strategies, and implementing adjustment measures.

The Research and Innovation measure supports activities that identify better ways of helping people to prepare for or keep employment and to be productive participants in the labour force. Funds are provided to eligible recipients to enable them to carry out demonstration projects and research for this purpose.

Annex 3.4

EBSM Client Profile

2005/06

Clients Served	
Sex	
Men	55.8%
Women	44.2%

Age ¹	
15 to 19	4.8%
20 to 24	14.1%
25 to 29	14.1%
30 to 34	13.1%
35 to 39	13.2%
40 to 44	13.5%
45 to 49	11.1%
50 to 54	7.8%
55 and over	6.5%
Unknown	1.6%

EI Clients Served	
Active Claimants	79.1%
Former Claimants	20.9%

Intervention-to-Client Ratio	
Clients	627,703
Interventions	958,846
Ratio	1.53

Participation in Interventions as a Percentage of Total	
Targeted Wage Subsidies	2.1%
Self-Employment	1.2%
Job Creation Partnerships	0.7%
Skills Development – Regular	9.0%
Skills Development – Apprentices	4.9%
Employment Assistance	45.1%
Group Services	6.0%
Individual Counselling	28.2%
Supplément de retour au travail (Quebec only)	0.8%
Pan-Canadian	2.0%

Designated Group Participation in EBSMs ²	
Women	50.0%
Aboriginal People	7.2%
Persons with Disabilities	4.6%
Visible Minorities	6.8%

Source: Client and participant dataset.

1. Group services and apprentices are excluded from the distribution because the date of birth is not collected.

2. Reported counts are generally lower than actual numbers because data are collected through self-identification.

Annex 3.5

Regular EBSMs — Clients Served by Client Type¹

2005/06						
Region	EI Clients					Total Clients Served
	EI Active Claimants		Former Clients Served	Total Clients Served	Non-Insured Clients Served	
	Target	Served ²				
Newfoundland and Labrador	13,911	13,957	3,875	17,832	2,346	20,178
Prince Edward Island	2,994	2,673	547	3,220	948	4,168
Nova Scotia	7,000	8,329	2,186	10,515	3,042	13,557
New Brunswick	10,820	11,629	2,833	14,462	3,390	17,852
Quebec	136,538	128,211	25,644	153,855	34,485	188,340
Ontario	118,094	85,859	17,589	103,448	34,145	137,593
Manitoba	13,000	13,944	3,229	17,173	9,195	26,368
Saskatchewan	7,400	9,105	3,822	12,927	648	13,575
Alberta	36,000	36,536	15,063	51,599	51,075	102,674
British Columbia	46,000	42,649	12,192	54,841	31,051	85,892
Northwest Territories	300	239	24	263	6	269
Yukon	300	256	51	307	135	442
Nunavut	115	155	109	264	248	512
National Headquarters ³	N/A	0	0	0	0	0
Regular EBSMs Total	N/A	353,542	87,164	440,706	170,714	611,420
Aboriginal Pan-Canadian	15,000	7,948	8,335	16,283	N/A	16,283
Canada⁴	N/A	361,490	95,499	456,989	170,714	627,703

Source: Client dataset.

N/A = Not applicable.

1. This table includes clients served between April 1, 2005, and March 31, 2006, one count per client served.

2. EI active claimants served is a success indicator that refers to the number of Part I claimants accessing EBSMs. In Quebec, this indicator refers to the number of EI clients served (active and former).

3. Invalid data have not been included.

4. Since the Canada total only includes one count per client, the sum of regular EBSMs and Aboriginal pan-Canadian (EBSMs delivered through the AHRDS) does not equal the Canada total.

Annex 3.6

New Interventions¹

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T. ²	Y.T.	Nun.	NHQ ³	Canada
2005/06															
Employment Benefits															
Targeted Wage Subsidies	768	296	325	2,600	7,705	3,471	419	945	176	3,250	39	1	23	0	20,018
Self-Employment	290	174	533	263	2,897	4,126	225	170	558	2,694	0	7	7	0	11,944
Job Creation Partnerships	2,837	227	531	0	0	1,533	363	0	679	709	0	3	0	0	6,882
Skills Development – Regular	7,780	1,399	3,940	5,366	37,255	15,530	2,368	2,082	2,278	7,798	157	86	139	0	86,178
Skills Development – Apprentices	1,543	281	1,197	1,973	0	12,210	2,190	3,629	15,619	7,988	126	124	34	0	46,914
Total Employment Benefits	13,218	2,377	6,526	10,202	47,857	36,870	5,565	6,826	19,310	22,439	322	221	203	0	171,936
Employment Services															
Employment Assistance	5,421	1,748	6,798	16,126	93,673	83,110	10,809	3,738	156,842	53,423	0	223	406	0	432,317
Group Services	19	0	60	0	51,156	5,480	0	437	0	405	0	0	0	0	57,557
Individual Counselling	20,325	1,580	6,958	11,634	16,987	122,340	20,121	8,957	0	61,492	0	26	0	0	270,420
Supplément de retour au travail (Quebec only)	N/A	N/A	N/A	N/A	7,959	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,959
Total Employment Services	25,765	3,328	13,816	27,760	169,775	210,930	30,930	13,132	156,842	115,320	0	249	406	0	768,253
Total Employment Services – Without Group Services	25,746	3,328	13,756	27,760	118,619	205,450	30,930	12,695	156,842	114,915	0	249	406	0	710,696
Total – Benefits and Services	38,983	5,705	20,342	37,962	217,632	247,800	36,495	19,958	176,152	137,759	322	470	609	0	940,189
Aboriginal Pan-Canadian ⁴	294	101	330	217	1,290	4,267	4,287	1,436	1,586	4,161	263	142	14	269	18,657
Grand Total – Benefits and Services	39,277	5,806	20,672	38,179	218,922	252,067	40,782	21,394	177,738	141,920	585	612	623	269	958,846
Grand Total – Without Group Services	39,258	5,806	20,612	38,179	167,766	246,587	40,782	20,957	177,738	141,515	585	612	623	269	901,289

Source: Participant dataset.

N/A: Not applicable.

1. Interventions in this table refer to all new starts between April 1, 2005, and March 31, 2006.

2. For the Northwest Territories, territorial officials report that there were 25 Self-Employment and 521 Employment Services interventions delivered in 2005/06, although these were not included in official data services.

3. Invalid data for Employment Services have not been included.

4. AHRDS statistics are included with pan-Canadian for this table.

Annex 3.7

EBSM Designated Members – Women¹

New Starts by Intervention (%)—2005/06															
	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Y.T.	Nun.	NHQ	Canada
Employment Benefits															
Targeted Wage Subsidies	58.2	51.0	47.7	49.0	48.5	53.9	35.1	49.0	54.5	56.8	51.3	100.0	21.7	0.0	51.0
Self-Employment	53.8	44.3	45.4	39.5	38.0	55.6	36.0	42.9	50.5	61.2	0.0	57.1	57.1	0.0	50.8
Job Creation Partnerships	48.5	40.5	56.7	0.0	0.0	61.4	29.5	0.0	50.1	49.6	0.0	33.3	0.0	0.0	51.0
Skills Development – Regular	36.9	54.4	49.9	43.0	49.3	55.1	53.0	43.1	60.4	57.4	26.1	60.5	39.6	0.0	49.9
Skills Development – Apprentices	3.0	2.8	2.3	1.9	0.0	3.9	1.4	2.6	5.2	3.6	1.6	6.5	2.9	0.0	3.9
Total Employment Benefits	37.0	45.8	41.3	36.5	48.5	38.4	29.1	22.4	15.0	38.3	19.6	29.9	32.0	0.0	37.6
Employment Services															
Employment Assistance	42.1	49.0	52.6	46.1	47.7	58.7	50.6	40.6	50.2	56.4	0.0	52.9	46.8	0.0	51.8
Individual Counselling	42.5	60.7	60.3	47.9	42.9	60.1	47.3	46.6	0.0	59.4	0.0	65.4	0.0	0.0	55.6
Supplément de retour au travail (Quebec only)	0.0	0.0	0.0	0.0	44.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.1
Total Employment Services	42.4	54.5	56.5	46.9	46.8	59.6	48.5	44.8	50.2	58.0	0.0	54.2	46.8	0.0	53.2
Aboriginal Pan-Canadian	24.5	33.7	43.3	49.3	48.4	44.7	50.7	44.7	34.4	39.7	46.8	41.5	35.7	0.0	44.1
Grand Total – Benefits and Services	40.5	50.6	51.5	44.1	47.3	56.1	46.1	37.5	46.2	54.4	31.8	42.5	41.7	0.0	50.0

Source: Participant dataset.

1. All percentages are based on new start interventions only (the number of interventions started in this fiscal year).

Annex 3.8

EBSM Designated Members – Persons with Disabilities¹

New Starts by Intervention (%) – 2005/06															
	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Y.T.	Nun.	NHQ	Canada
Employment Benefits															
Targeted Wage Subsidies	2.0	5.1	24.9	2.2	2.7	4.8	1.7	3.6	11.9	5.8	0.0	100.0	0.0	0.0	4.0
Self-Employment	1.0	6.9	10.3	1.9	1.0	2.7	2.7	0.6	1.4	4.8	0.0	0.0	0.0	0.0	3.0
Job Creation Partnerships	1.0	2.6	8.1	0.0	0.0	3.0	1.7	0.0	16.9	4.2	0.0	0.0	0.0	0.0	4.0
Skills Development – Regular	1.2	5.4	13.2	3.7	2.0	3.7	2.6	2.4	2.5	5.8	1.3	4.7	0.0	0.0	3.3
Skills Development – Apprentices	0.0	0.0	0.1	0.2	0.0	0.0	0.2	0.3	0.0	0.1	0.0	0.8	0.0	0.0	0.1
Total Employment Benefits	1.0	4.5	10.7	2.6	2.1	2.5	1.5	1.4	1.1	3.6	0.6	2.7	0.0	0.0	2.5
Employment Services															
Employment Assistance	0.9	18.3	19.1	5.6	4.2	6.4	7.6	13.9	2.0	7.4	0.0	4.0	1.0	0.0	4.7
Individual Counselling	1.2	17.5	21.4	6.2	2.9	4.8	3.2	5.1	0.0	10.3	0.0	15.4	0.0	0.0	6.1
Supplément de retour au travail (Quebec only)	0.0	0.0	0.0	0.0	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2
Total Employment Services	1.1	17.9	20.2	5.8	3.9	5.5	4.8	7.7	2.0	8.9	0.0	5.2	1.0	0.0	5.2
Aboriginal Pan-Canadian	1.4	0.0	8.5	8.8	0.3	4.2	4.1	1.4	2.3	2.1	1.9	2.1	0.0	0.0	3.1
Grand Total – Benefits and Services	1.1	12.1	17.0	5.0	3.3	5.0	4.2	5.2	1.9	7.9	1.2	3.6	0.6	0.0	4.6

Source: Participant dataset.

1. All percentages are based on new start interventions only (the number of interventions started in this fiscal year). These reported counts are generally lower than actual numbers because data are collected through self-identification.

Annex 3.9

EBSM Designated Members – Aboriginal People¹

New Starts by Intervention (%)—2005/06															
	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Y.T.	Nun.	NHQ	Canada
Employment Benefits															
Targeted Wage Subsidies	1.8	0.3	2.5	0.0	0.7	1.7	6.2	18.6	10.8	5.5	41.0	0.0	95.7	0.0	2.9
Self-Employment	0.7	0.0	2.3	0.0	0.6	1.5	7.6	5.3	4.3	4.1	0.0	0.0	28.6	0.0	2.1
Job Creation Partnerships	1.2	4.4	1.5	0.0	0.0	5.4	9.6	0.0	14.1	17.9	0.0	0.0	0.0	0.0	5.7
Skills Development – Regular	2.6	1.4	2.0	0.0	0.4	2.4	9.2	8.4	7.9	7.2	43.9	7.0	92.8	0.0	2.5
Skills Development – Apprentices	0.9	0.4	2.1	0.5	0.0	0.4	5.1	5.9	1.4	0.9	11.9	7.3	8.8	0.0	1.6
Total Employment Benefits	2.0	1.3	2.0	0.1	0.4	1.7	7.3	8.4	2.8	4.7	31.1	6.8	76.8	0.0	2.4
Employment Services															
Employment Assistance	1.3	0.1	1.3	0.0	0.3	1.7	8.5	20.4	15.0	7.0	0.0	28.7	90.6	0.0	7.2
Individual Counselling	1.0	0.9	0.9	0.0	0.3	2.2	7.6	19.0	0.0	7.9	0.0	11.5	0.0	0.0	4.1
Supplément de retour au travail (Quebec only)	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Total Employment Services	1.0	0.5	1.1	0.0	0.3	2.0	7.9	19.4	15.0	7.5	0.0	26.9	90.6	0.0	6.0
Aboriginal Pan-Canadian	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0.0	100.0
Grand Total – Benefits and Services	2.1	2.5	3.0	0.6	1.1	3.6	17.5	21.3	14.4	9.8	62.1	36.6	86.4	0.0	7.2

Source: Participant dataset.

1. All percentages are based on new start interventions only (the number of interventions started in this fiscal year). These reported counts are generally lower than actual numbers because data are collected through self-identification.

Annex 3.10

EBSM Designated Members – Visible Minorities¹

New Starts by Intervention (%)—2005/06															
	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Y.T.	Nun.	NHQ	Canada
Employment Benefits															
Targeted Wage Subsidies	0.9	1.0	8.3	0.0	0.0	7.1	3.6	1.6	12.5	6.3	10.3	0.0	0.0	0.0	2.7
Self-Employment	2.4	0.0	3.4	0.0	0.0	6.8	4.4	0.0	6.8	8.3	0.0	0.0	0.0	0.0	4.8
Job Creation Partnerships	0.6	0.0	3.8	0.0	0.0	6.8	7.2	0.0	14.7	5.4	0.0	0.0	0.0	0.0	4.4
Skills Development – Regular	0.6	1.9	4.6	0.0	0.0	13.1	12.3	1.7	23.3	10.8	8.3	1.2	2.2	0.0	4.7
Skills Development – Apprentices	0.0	0.0	0.3	0.0	0.0	0.1	0.5	0.3	0.1	0.2	0.0	0.0	0.0	0.0	0.1
Total Employment Benefits	0.6	1.2	3.9	0.0	0.0	7.3	6.4	0.9	3.6	5.9	5.3	0.5	1.5	0.0	3.2
Employment Services															
Employment Assistance	0.1	3.8	6.6	0.0	0.0	9.3	10.0	4.0	12.6	16.3	0.0	0.0	0.2	0.0	8.8
Individual Counselling	0.3	3.4	4.3	0.0	0.0	8.0	8.6	2.1	0.0	8.5	0.0	0.0	0.0	0.0	6.4
Supplément de retour au travail (Quebec only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Employment Services	0.2	3.6	5.4	0.0	0.0	8.5	9.1	2.7	12.6	12.2	0.0	0.0	0.2	0.0	7.8
Aboriginal Pan-Canadian ²	0.0	0.0	1.8	0.0	1.6	0.8	1.4	0.1	0.0	6.2	0.0	7.0	0.0	0.0	2.1
Grand Total – Benefits and Services	0.4	2.6	4.9	0.0	0.0	8.2	7.9	1.9	11.5	11.0	2.9	1.8	0.6	0.0	6.8

Source: Participant dataset.

1. All percentages are based on new start interventions only (the number of interventions started in this fiscal year). These reported counts are generally lower than actual numbers because data are collected through self-identification.

2. Some Aboriginal clients self-identified as being members of visible minority groups.

Annex 3.11

EBSMs and Pan-Canadian Activities: Part I – Final Expenditures

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Y.T.	Nun.	NHQ	Canada
Self-Employment	810	445	2,076	2,386	11,995	8,181	1,915	620	2,963	6,786	331	54	65	-	38,627
Job Creation Partnerships ¹	2,189	399	930	38	708	2,199	755	-	-	1,027	-	15	-	-	8,260
Skills Development	18,486	5,975	14,561	21,458	77,595	67,734	18,823	12,828	51,980	35,259	1,252	896	428	2	327,277
Total	21,485	6,819	17,567	23,882	90,298	78,114	21,493	13,448	54,943	43,072	1,583	965	493	2	374,164

Source: Corporate Management System.

1. In Quebec, this amount refers only to pan-Canadian activities.

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man. ¹	Sask.	Alta.	B.C.	N.W.T.	Y.T.	Nun.	NHQ ²	Canada
In \$000s by Intervention—2005/06															
Employment Benefits³															
Targeted Wage Subsidies	4,381	1,064	1,668	9,685	35,621	17,348	1,219	4,995	1,107	18,898	298	43	253	—	96,580
Self-Employment	4,300	1,152	5,732	3,614	28,326	61,414	1,560	339	3,616	35,430	165	203	22	—	145,873
Job Creation Partnerships	15,177	3,032	7,123	—	—	20,354	2,165	—	3,302	8,849	—	13	—	268	60,283
Skills Development	87,501	15,212	45,861	62,686	320,259	152,672	28,521	25,175	63,724	112,783	1,277	2,244	1,342	—	919,257
Total Employment Benefits	111,359	20,460	60,384	75,985	384,206	251,788	33,465	30,509	71,749	175,960	1,740	2,503	1,617	268	1,221,993
Support Measures (Services)³															
Employment Assistance	13,008	4,007	18,766	10,925	108,220	184,717	8,341	5,003	36,767	107,267	624	1,252	147	—	499,044
Supplément de retour au travail (Quebec only)	—	—	—	—	3,743	—	—	—	—	—	—	—	—	—	3,743
Total Support Measures (Services)	13,008	4,007	18,766	10,925	111,963	184,717	8,341	5,003	36,767	107,267	624	1,252	147	—	502,787
Other Support Measures³															
Labour Market Partnerships	6,363	1,811	1,442	4,719	99,221	10,099	4,815	2,887	1,175	2,789	310	46	395	-52	136,020
Research & Innovation	—	—	—	613	659	—	728	610	—	—	—	—	—	—	2,610
Total Other Support Measures	6,363	1,811	1,442	5,332	99,880	10,099	5,543	3,497	1,175	2,789	310	46	395	-52	138,630
Total EBSMs – Regular	130,730	26,278	80,592	92,242	596,049	446,604	47,349	39,009	109,691	286,016	2,674	3,801	2,159	216	1,863,410
Overcontribution⁴	—	—	—	—	—	—	—	—	—	—	793	—	606	—	1,399
Pan-Canadian (See details in Annex 3.13)	2,402	474	1,972	1,728	11,563	18,889	17,193	11,820	13,677	15,786	2,949	1,296	2,849	63,002	165,600
Adjustment ⁵	-508	-166	223	23	213	-8,041	60	39	53	30	-428	-376	-1,274	-3,886	-14,038
Total including Pan-Canadian	132,624	26,586	82,787	93,993	607,825	457,452	64,602	50,868	123,421	301,832	5,988	4,721	4,340	59,332	2,016,371
Administrative Costs Related to LMDAs⁶ (Transfer regions only)				8,922	58,861	6,078	6,021	9,518	787						91,637

Source: Corporate Management System and provincial and territorial audited statements.

- For Manitoba, the distribution of funds between the individual EBSMs may differ from provincial financial statements due to the methodology used to distribute advances and overpayments recovered.
- NHQ includes expenditures for third party liability insurance contracted and paid on behalf of co-managed provinces.
- Includes expenditures (\$8.5 million) for Aboriginal groups in Nova Scotia, Ontario and British Columbia.
- Overcontribution will be recovered during fiscal 2006/07.
- Adjustment to reflect overpayments established, refunds of previous years' expenditures and other accounting adjustments.
- Administration costs include \$86.2 million (salary and non-salary) to administer LMDAs and \$5.5 million for rent.

Annex 3.13

EI Part II Pan-Canadian – Final Expenditures

In \$000s by Intervention—2005/06															
	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Y.T.	Nun.	NHQ	Canada
AHRDS¹	1,994	270	1,596	1,567	10,147	17,944	16,617	11,653	13,330	15,547	2,682	1,021	2,565	1,000	97,933
EBSMs															
Targeted Wage Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Self-Employment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Job Creation Partnerships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Skills Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employment Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total EBSMs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other															
Labour Market Partnerships	408	204	376	161	1,416	945	576	167	347	239	267	275	284	46,265	51,930
Research and Innovation	-	-	-	-	-	-	-	-	-	-	-	-	-	15,737	15,737
Total Other	408	204	376	161	1,416	945	576	167	347	239	267	275	284	62,002	67,667
Grand Total	2,402	474	1,972	1,728	11,563	18,889	17,193	11,820	13,677	15,786	2,949	1,296	2,849	63,002	165,600

Source: Corporate Management System.

1. Excludes expenditures (\$8.5 million) for Aboriginal groups in Nova Scotia, Ontario and British Columbia.

Annex 3.14

Returns to Employment and Unpaid Benefits Indicators

		2005/06											
		Clients who returned to employment ¹					Unpaid Benefits (\$ Millions) ¹						
		Results					Results						
		Targets ²	Apprentices	Group Services	Other	Total	Results vs. Targets %	Targets ²	Apprentices	Group Services	Other	Total ³	Results vs. Targets %
Newfoundland and Labrador		7,675	831	4	5,842	6,677	87%	19.90	6.38	0.03	13.33	19.74	99%
Prince Edward Island		2,027	240	0	1,593	1,833	90%	4.82	2.15	0.00	3.26	5.40	112%
Nova Scotia		5,000	944	27	4,352	5,323	106%	12.67	8.41	0.15	8.10	16.66	131%
New Brunswick		8,611	1,037	0	8,855	9,892	115%	23.05	8.44	0.00	19.59	28.03	122%
Quebec		60,469	0	10,772	40,403	51,175	85%	156.20	0.00	70.19	101.95	172.14	110%
Ontario		65,160	10,189	1,516	41,805	53,510	82%	297.00	83.78	10.62	119.65	214.05	72%
Manitoba		9,700	1,521	0	7,772	9,293	96%	35.00	11.60	0.00	22.00	33.61	96%
Saskatchewan		4,500	1,890	102	4,461	6,453	143%	21.00	15.66	0.53	11.13	27.32	130%
Alberta		24,000	12,663	0	10,629	23,292	97%	150.00	114.02	0.00	48.61	162.63	108%
British Columbia		29,820	6,056	214	24,477	30,747	103%	113.00	56.02	1.89	65.80	123.71	109%
Northwest Territories		275	57	0	158	215	78%	2.90	0.81	0.00	1.35	2.15	74%
Yukon		300	82	0	136	218	73%	1.90	0.95	0.00	0.60	1.56	82%
Nunavut		85	14	0	85	99	116%	0.44	0.19	0.00	0.29	0.48	108%
National Headquarters		0	0	0	0	0	0%	0.00	0.00	0.00	0.00	0.00	N/A
Canada		217,622	35,524	12,635	150,568	198,727	91%	837.88	308.41	83.41	415.66	807.47	96%

Source: Results dataset

N/A: Not applicable.

1. AHRDS activity resulted in 7,673 returns to work and \$15.7 million in unpaid benefits.

2. Targets are for regular EBSM clients only.

3. Some unpaid benefit figures have been rounded.

Annex 3.15

Returns to Employment, by Intervention (Regular EBSMs)¹

	2005/06														
	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Y.T.	Nun.	NHQ	Canada
Employment Benefits															
Targeted Wage Subsidies	275	153	139	2,133	2,219	1,450	235	530	93	1,978	1	1	17	0	9,224
Self-Employment	142	108	290	196	1,876	2,187	247	80	357	1,576	0	2	1	0	7,062
Job Creation Partnerships	681	81	224	2	0	865	138	0	309	328	0	1	0	0	2,629
Skills Development – Regular	2,251	722	1,774	3,283	11,364	7,519	1,285	736	759	3,448	79	57	52	0	33,329
Skills Development – Apprentices ²	846	240	944	1,247	0	10,189	1,589	2,566	12,663	6,057	57	82	14	0	36,494
Total Benefits	4,195	1,304	3,371	6,861	15,459	22,210	3,494	3,912	14,181	13,387	137	143	84	0	88,738
Employment Services															
Employment Assistance	538	376	1,322	1,142	16,207	17,303	2,060	786	9,111	9,812	0	72	15	0	58,744
Group Services	4	0	27	0	10,772	1,516	0	102	0	214	0	0	0	0	12,635
Individual Counselling	1,940	153	603	1,889	2,383	12,481	3,739	1,653	0	7,334	78	3	0	0	32,256
Supplément de retour au travail (Quebec only)	0	0	0	0	6 354	0	0	0	0	0	0	0	0	0	6,354
Total Services	2,482	529	1,952	3,031	35,716	31,300	5,799	2,541	9,111	17,360	78	75	15	0	109,989
Total	6,677	1,833	5,323	9,892	51,175	53,510	9,293	6,453	23,292	30,747	215	218	99	0	198,727
Target	7,675	2,027	5,000	8,611	60,469	65,160	9,700	4,500	24,000	29,820	275	300	85	0	217,622
Results vs. Targets (%)	87%	90%	106%	115%	85%	82%	96%	143%	97%	103%	78%	73%	116%	N/A	91%

N/A: Not applicable.

1. Results associated solely with the AHRDS are not included here.

2. Results for SD – Apprentices are different than in Table 3.14 because the results are associated with the last intervention in which a client participated, with Employment Benefit participation superseding participation in an Employment Service.

I. Atlantic Communities

1. Clarenville

Clarenville is a regional centre serving the eastern coast of Newfoundland. Although it is reliant on the fishing industry, retail trade, manufacturing, construction, and health and social services are also important industries in the community.

The unemployment rate in Clarenville decreased by 0.5 percentage points to 19.5% in 2005/06, which is almost three times higher than the national average of 6.6%. The number of regular and fishing claims decreased by 6.1%, from 7,240 in 2004/05 to 6,800 in 2005/06. The proportion of frequent claimants among claimants of regular and fishing benefits remained relatively stable, decreasing from 76.2% in 2004/05 to 76.0% in 2005/06. At about double the national average of 38.4%, frequent claimants represent an important proportion of all claimants in the community. Claimants' average number of insurable hours increased by 15 between 2004/05 and 2005/06 to 1,135. Average weekly benefits increased by \$10 to \$327 during the period, reflecting increased wages.

Clarenville is highly reliant on EI as a source of income. Out of the 14 communities, it has the highest dependence on EI, despite an important decline between 2003 and 2004. In 2004, 60.0% of those with wages also received some EI benefits, down 7.9 percentage points from 2003. The 2004 figure was four times the national average of 15.0%. Moreover, EI benefits represented 19.7% of total employment income in 2004, the highest value among the 14 communities, though down from 27.4% in 2003.

2. Prince Edward Island

A large part of Prince Edward Island's economic base consists of highly seasonal activities, especially in the tourism, agricultural and fishing industries. In 2005/06, the unemployment rate in P.E.I. decreased to 11.0%, from 11.5% in the previous reporting period. The number of regular and fishing claims declined by 1.4%, from 22,050 to 21,740. The proportion of frequent claimants among claimants of regular and fishing benefits decreased to 69.5%, 1.5 percentage points lower than in the previous reporting period, but still almost twice the national average. Claimants' average number of insurable hours increased by 26 between 2004/05 and 2005/06 to 1,220. Average weekly benefits increased by \$18 to \$323 during the period, reflecting increased wages.

As a result of its seasonal economy, P.E.I. is highly reliant on EI. In 2004, 36.2% of persons with wages also received some EI benefits, down slightly from 36.6% in 2003 and more than twice the national average. EI benefits represented 8.6% of total employment income in 2004.

3. Truro

Truro is located in Colchester County in central Nova Scotia. A significant part of Truro's economic base consists of manufacturing and service industries. With a population of more than 12,000, Truro continues to grow at a steady pace.

Truro's unemployment rate decreased by 0.9 percentage points to 9.1% in 2005/06. The number of regular and fishing EI claims increased by 3.7%, from 4,080 in the previous period to 4,230 in 2005/06. The proportion of frequent claimants among claimants of regular and fishing benefits declined by 1.5 percentage points to 46.8%, which is well above the national average of 38.4%. Average weekly benefits increased by \$18 to \$309. Claimants' average number of insurable hours decreased by 10 between 2004/05 and 2005/06 to 1,341.

¹ EI figures are for fiscal 2005/06. Income statistics are reported by the Canada Revenue Agency (CRA) for calendar 2004.

² The local unemployment rates presented in this annex are in fact those of the EI economic region in which each of the 14 communities is located. These regional rates come from the Labour Force Survey, with an adjustment made to include unemployment rates for status Indians living on Indian reserves, as per section 54(x) of the *Employment Insurance Act*. If this adjustment were performed on the national unemployment rate, the figure of 6.6% presented in Chapter 1 for 2005/06 would become 7.2%.

³ The analysis refers to all claims with at least \$1 of regular or fishing benefits paid, without eliminating claims with other types of EI Part I benefits paid. Figures extracted from CRA's data for 2004 are based on all types of EI Part I benefits paid.

As in many small Atlantic communities, EI plays an important role in Truro's economy. In 2004, 21.0% of persons with wages also received EI benefits, compared to 22.5% in 2003. EI benefits represented 3.5% of total employment income, 1.7 times the national average of 2.1%.

4. Miramichi

Miramichi is in Northumberland County in northeastern New Brunswick. Employment is highly seasonal, with forestry and fishing constituting the two major economic activities.

In 2005/06, the unemployment rate in Miramichi was 15.2%, 0.7 percentage points lower than in the previous reporting period. The number of regular and fishing claims rose from 4,580 to 4,850. The proportion of frequent claimants among claimants of regular and fishing benefits fell by 6.5 percentage points to 59.0%, the largest decrease among the 14 communities. Average weekly benefits increased by \$14 to \$332, reflecting increased wages.

Miramichi also presented the largest decrease in claimants' average number of insurable hours, with a fall of 48 hours between 2004/05 and 2005/06 to 1,089.

EI plays a major role in stabilizing income in Miramichi. In 2004, 38.5% of persons with wages also received some benefits, compared to 39.3% in 2003. The 2004 figure was more than twice the national average of 15.0%. EI benefits represented 10.6% of total employment income in 2004, down from 11.8% in 2003.

Table 1

Atlantic Communities												
Community	Unemp. Rate ¹		Average VER ² (Hours)		Average Insurable Hours		Average Entitlement (Weeks)		Average Weekly Benefits (\$)		New Claims	
	2005/06	Δ	2005/06	2004/05	2005/06	Δ	2005/06	Δ	2005/06	Δ	2005/06	2005/06
Clarendville	19.5%	-0.5	420	420	1,135	15	39.5	0.8	327	10	37.2	76.0
P.E.I.	11.0%	-0.5	508	493	1,220	26	35.1	0.2	323	18	38.5	69.5
Truro	9.1%	-0.9	575	548	1,341	-10	36.0	-0.7	309	18	38.1	46.8
Miramichi	15.2%	-0.7	420	420	1,089	-48	40.2	-0.8	332	14	32.4	59.0

Δ = Change between 2004/05 and 2005/06 (expressed in percentage points for unemployment rates).
 1. Average annual unemployment rate in the EI economic region where the community is located.
 2. Average Variable Entrance Requirement in the EI economic region where the community is located (hours of insurable employment).

II. Quebec Communities

1. Repentigny

Repentigny is a largely francophone community located east of Montréal on the north shore of the St. Lawrence River. Employment is concentrated in health care and social assistance, educational services, manufacturing and retail trade, but there is also a declining dependence on agriculture and forestry-related industries.

In 2005/06, Repentigny had an unemployment rate of 8.8%, unchanged from the previous reporting period. The number of regular claims slightly decreased by 0.8%, from 17,750 in 2004/05 to 17,610 in 2005/06. The proportion of frequent claimants among claimants of regular benefits, once again greater than the national average (38.4%), increased by 1.9 percentage points over 2005/06 to 41.9%. Claimants' average number of insurable hours decreased by two between 2004/05 and 2005/06 to 1,315. Average weekly benefits increased by \$12 to \$318, reflecting increased wages.

EI plays an important role in Repentigny, with 20.2% of wage earners also receiving EI benefits in 2004, unchanged from the previous fiscal year. In 2004, EI benefits represented 2.7% of total employment income, slightly higher than the national average of 2.1%.

2. Montréal Centre East

Montréal Centre East is a largely francophone community where employment is concentrated in health care and social assistance, educational services and retail trade.

In 2005/06, the unemployment rate in Montréal Centre East was 8.8%, 0.3 percentage points higher than in the previous reporting period. The number of regular claims decreased slightly by 0.6%, from 7,920 to 7,870, while the proportion of frequent claimants among claimants of regular benefits increased slightly, from 23.6% in 2004/05 to 24.0% in 2005/06, still well below the national average. Average weekly benefits increased by \$2 to \$312. Claimants' average number of insurable hours increased by 10 between 2004/05 and 2005/06 to 1,374.

EI plays a moderate income-stabilization role in Montréal Centre East, with 16.3% of persons with wages also receiving EI benefits in 2004, slightly above the national average of 15.0%. EI benefits represented 2.4% of employment income.

Table 2

Quebec Communities												
Community	Unemp. Rate ¹		Average VER ² (Hours)		Average Insurable Hours		Average Entitlement (Weeks)		Average Weekly Benefits (\$)		New Claims	
	2005/06	Δ	2005/06	2004/05	2005/06	Δ	2005/06	Δ	2005/06	Δ	2005/06	2005/06
Repentigny	8.8%	0.0	584	587	1,315	-2	33.9	-0.1	318	12	38.3	41.9
Montréal Centre East	8.8%	0.3	583	598	1,374	10	32.1	0.7	312	2	40.7	24.0

Δ = Change between 2004/05 and 2005/06 (expressed in percentage points for unemployment rates).
 1. Average annual unemployment rate in the EI economic region where the community is located.
 2. Average Variable Entrance Requirement in the EI economic region where the community is located (hours of insurable employment).

III. Ontario Communities

1. Toronto Centre

Toronto Centre is located in Canada’s largest urban area. It is an affluent community, with average employment incomes that are almost three times the national level. Toronto Centre is characterized by a very high proportion of post-secondary graduates, with jobs concentrated in management and professional occupations. The largest industries in terms of employment in Toronto Centre are professional, scientific and technical services, finance and insurance, and health and social services. However, some neighbourhoods within Toronto Centre have high proportions of low income families. These include Regent Park, which is being completely redeveloped at a cost of \$1 billion over the next 12 years, and the Flemingdon Park/Victoria Village neighbourhood, which the City of Toronto has declared one of 13 priority neighbourhoods for social and other infrastructure investment.

In 2005/06, the unemployment rate in Toronto Centre was 7.0%, 0.5 percentage points lower than in the previous reporting period and slightly above the national average of 6.6%. The number of EI regular claims decreased by 5.4%, from 2,770 to 2,620. The proportion of frequent claimants among claimants of regular benefits increased from 4.3% in 2004/05 to 6.5% in the current reporting period. As in most large cities, work is largely full time and year round in Toronto Centre, resulting in a proportion of frequent claimants that represents a small fraction of the corresponding national average. Claimants’ average number of insurable hours decreased by

10 between 2004/05 and 2005/06 to 1,517. Average weekly benefits increased by \$7 to \$361 during the period, reflecting increased wages.

EI plays a limited role in Toronto Centre, with 6.3% of individuals with wages collecting EI in 2004, less than half the national average. Additionally, EI benefits represented only 0.4% of total employment income, unchanged from the previous year.

2. Hamilton Mountain

Hamilton Mountain is a services-oriented community in the city of Hamilton. While employment in the community is concentrated in the service sector—particularly in health care and social assistance, educational services, retail trade and public administration—the community’s economy depends heavily on the health of the manufacturing industry, particularly steel.

The unemployment rate in Hamilton Mountain decreased by 0.9 percentage points in 2005/06 to 5.5%. The number of regular claims, however, increased by 5.6%, from 6,080 to 6,420. Average weekly benefits increased by \$12 to \$339. The proportion of frequent claimants among claimants of regular benefits in Hamilton Mountain was 25.2%. This is considerably lower than the national average of 38.4%, but 1.4 percentage points higher than in 2004/05. Claimants’ average number of insurable hours increased by 17 between 2004/05 and 2005/06 to 1,455.

EI plays a limited role in the local economy of Hamilton Mountain, with 10.5% of wage earners receiving EI in 2004, unchanged from the previous year. EI benefits represented 1.3% of total employment income in the community, compared to 1.2% in 2003.

Table 3

Ontario Communities												
Community	Unemp. Rate ¹		Average VER ² (Hours)		Average Insurable Hours		Average Entitlement (Weeks)		Average Weekly Benefits (\$)		New Claims	
	2005/06	Δ	2005/06	2004/05	2005/06	Δ	2005/06	Δ	2005/06	Δ	% Female	% Freq.
Toronto Centre	7.0%	-0.5	648	630	1,517	-10	31.8	-1.0	361	7	55.0	6.5
Hamilton Mountain	5.5%	-0.9	688	668	1,455	17	28.4	-0.5	339	12	44.9	25.2

Δ = Change between 2004/05 and 2005/06 (expressed in percentage points for unemployment rates).
 1. Average annual unemployment rate in the EI economic region where the community is located.
 2. Average Variable Entrance Requirement in the EI economic region where the community is located (hours of insurable employment).

IV. Prairie and Northern Communities

1. St. Boniface

St. Boniface is located in the east end of Winnipeg. Employment in this community is largely concentrated in manufacturing, construction, business services, retail trade, educational and health services, and food and accommodation services.

In 2005/06, the unemployment rate in St. Boniface was 4.9%, 0.6 percentage points lower than in the previous reporting period and still well below the national average rate of 6.6%. The number of regular claims decreased by 6.9%, from 3,060 in 2004/05 to 2,850 in this reporting period. The proportion of frequent claimants among claimants of regular benefits rose by 4.4 percentage points to 31.2%, which is the largest increase among the 14 communities, but the proportion is still lower than the national average of 38.4%. Claimants' average number of insurable hours decreased by 29 between 2004/05 and 2005/06 to 1,403. At \$313, average weekly benefits remained relatively constant in 2005/06, increasing by only \$1.

Given the strong local labour market, EI plays a limited role in St. Boniface's economy, with 10.9% of wage earners receiving EI benefits in 2004, down slightly from 11.2% in 2003. EI benefits represented 1.4% of total employment income, lower than the national average of 2.1%.

2. Prince Albert

Prince Albert is the third-largest and most northerly city in Saskatchewan. It functions as a service, retail and distribution centre for northern Saskatchewan's resource industries—mining, forestry and agriculture—and is known as the Gateway to the North.

The unemployment rate in Prince Albert in 2005/06 was 14.9%, 0.7 percentage points higher than in 2004/05; this was the largest increase among the 14 communities. However, the number of regular and fishing claims decreased by 17.9%, from 3,860 in 2004/05 to 3,170 in this reporting period, all being regular claims. The proportion of frequent claimants among claimants of regular and fishing benefits increased from 39.4% in 2004/05 to 41.0% in this reporting period, which is slightly higher than the national average of 38.4%.

Claimants' average number of insurable hours increased by 68 between 2004/05 and 2005/06 to 1,313; this was the largest increase among the 14 communities. Average weekly benefits increased by \$19 to \$329 during the period, reflecting increased wages.

Prince Albert is moderately reliant on EI, with 17.3% of wage earners also receiving EI benefits in 2004, down from 18.8% in 2003. EI benefits accounted for 3.0% of total employment income.

3. Calgary Centre

Calgary Centre is an urban centre that relies heavily on the oil and gas industry. However, the community has become less reliant on energy by broadening its economic base into the business services and transportation industries. Other key industries in Calgary Centre include manufacturing, construction, retail trade, telecommunications, education and health.

In 2005/06, the unemployment rate decreased by 1.3 percentage points to 3.9% in Calgary Centre, which is considerably lower than the national average of 6.6%. The number of regular claims fell by 22.5%, from 4,130 in 2004/05 to 3,200 in the current reporting period. Only 17.8% of regular benefits claimants in Calgary Centre were frequent claimants, compared to 15.5% in the previous reporting period and the national average of 38.4%. Average weekly benefits increased by \$11 to \$352. Claimants' average number of insurable hours decreased by nine between 2004/05 and 2005/06 to 1,489.

EI plays a limited role in Calgary Centre, with only 8.5% of wage earners also receiving EI benefits in 2004, down from 9.2% in 2003. Furthermore, benefits represented only 0.7% of total employment income, which is about a third of the national average.

4. Yellowknife

Yellowknife, the capital of the Northwest Territories, is home to almost half the territory's population. Built on gold mining since the 1930s, Yellowknife has become the territorial centre for mining, industry, transportation, communications, education, health, tourism, commerce and government. Over the past decade, economic growth and recovery have primarily been due to the development of diamond mining and oil and gas activity. Diamond mining has also resulted in the creation of a small diamond polishing and cutting industry.

There was a sharp decrease of 28.1% in the number of regular claims, from 570 in 2004/05 to 410 in 2005/06. Average weekly benefits increased by \$17 to \$390, which reflects the well-above-average incomes in Yellowknife. Among claimants of regular benefits, only 14.6% (down from 15.8% in the previous reporting period) were frequent claimants, in contrast with the national average of 38.4%. Claimants' average number of insurable hours increased by 23 between 2004/05 and 2005/06, bringing the number to 1,366.

Yellowknife has a limited reliance on EI, with 11.7% of wage earners also collecting EI benefits in 2004, relatively unchanged from the previous year. Further, EI benefits represented 1.5% of total employment income in both 2003 and 2004.

Table 4

Prairie and Northern Communities												
Community	Unemp. Rate ¹		Average VER ² (Hours)		Average Insurable Hours		Average Entitlement (Weeks)		Average Weekly Benefits (\$)		New Claims	
	2005/06	Δ	2005/06	2004/05	2005/06	Δ	2005/06	Δ	2005/06	Δ	2005/06	2005/06
St. Boniface	4.9%	-0.6	700	700	1,403	-29	25.9	-0.7	313	1	47.0	31.2
Prince Albert	14.9%	0.7	420	420	1,313	68	42.8	1.8	329	19	36.0	41.0
Calgary Centre	3.9%	-1.3	700	700	1,489	-9	28.1	-0.2	352	11	43.4	17.8
Yellowknife³	25.0%	0.0	420	420	1,366	23	44.1	0.3	390	17	36.6	14.6

Δ = Change between 2004/05 and 2005/06 (expressed in percentage points for unemployment rates).

1. Average annual unemployment rate in the EI economic region where the community is located.

2. Average Variable Entrance Requirement in the EI economic region where the community is located (hours of insurable employment).

3. The actual unemployment rate of the EI economic region in which Yellowknife is located is not calculated by Statistics Canada, as the territories are not surveyed in the Labour Force Survey.

V. British Columbia Communities

1. Surrey

Surrey is the second-largest city in British Columbia. Located south of Vancouver, this community has a highly diverse economy, with extensive development projects and major employment concentrations in wholesale trade, wood products and administrative services, as well as in transportation (especially by air, truck and transit).

In 2005/06, the unemployment rate in Surrey was 5.7%, 1.3 percentage points lower than in 2004/05. The number of regular and fishing claims decreased by 10.5%, from 15,690 in 2004/05 to 14,040 in the current reporting period. The proportion of frequent claimants among claimants of regular and fishing benefits increased by 1.5 percentage points to 27.8%. Average weekly benefits in 2005/06 were \$303, \$1 lower than in the previous reporting period. Among the 14 communities profiled in this annex, Surrey is the only one that experienced a decrease in its average weekly benefits over the period. Claimants' average number of insurable hours increased by eight between 2004/05 and 2005/06 to 1,371.

In Surrey, 14.8% of wage earners also received EI benefits in 2004, compared to 15.6% in 2003. The 2004 figure was close to the national average of 15.0%. EI benefits represented 2.1% of employment income, the same proportion as the national average.

2. Kelowna

Kelowna is situated in the Okanagan Valley and is one of the fastest-growing cities in British Columbia. The community is diverse, with strengths in many industries including construction, retail trade, health care (especially hospitals and nursing facilities) and certain manufacturing sectors, including beverages (wine and juice), wood products and machinery.

The unemployment rate in Kelowna was 6.7% in 2005/06, 1.5 percentage points lower than in 2004/05; this was the largest decrease among the 14 communities. The number of regular and fishing claims declined by 10.3%, from 6,220 to 5,580. The proportion of frequent claimants among claimants of regular and fishing benefits increased slightly from 27.7% in 2004/05 to 28.5% in this reporting period, which is still lower than the national average of 38.4%. Claimants' average number of insurable hours increased by four between 2004/05 and 2005/06 to 1,387. Average weekly benefits increased by \$2 over the previous reporting period to \$311.

In Kelowna, 14.5% of wage earners received EI benefits in 2004, down from 15.6% in 2003. EI benefits represented 1.7% of total employment income, which is below the national average of 2.1%.

Table 5

British Columbia Communities												
Community	Unemp. Rate ¹		Average VER ² (Hours)		Average Insurable Hours		Average Entitlement (Weeks)		Average Weekly Benefits (\$)		New Claims	
	2005/06	Δ	2005/06	2004/05	2005/06	Δ	2005/06	Δ	2005/06	Δ	2005/06	2005/06
Surrey	5.7%	-1.3	685	650	1,371	8	26.3	-1.9	303	-1	53.8	27.8
Kelowna	6.7%	-1.5	662	610	1,387	4	32.7	-1.8	311	2	45.9	28.5

Δ = Change between 2004/05 and 2005/06 (expressed in percentage points for unemployment rates).
 1. Average annual unemployment rate in the EI economic region where the community is located.
 2. Average Variable Entrance Requirement in the EI economic region where the community is located (hours of insurable employment).

Annex 5 Key Studies Referenced in Chapter 5

1. Employment Insurance Coverage Survey

Author: *Statistics Canada*

Objective: The Employment Insurance Coverage Survey (EICS) provides information on unemployed individuals, whether or not they are eligible for or apply for Employment Insurance (EI) benefits.

Methodology: The EICS is an annual supplement to Statistics Canada's Labour Force Survey. It identifies those individuals who have been paying EI premiums and those who have worked enough insurable hours to be eligible to receive benefits from the EI Program.

Key Findings:

- In 2005, 83.4% of unemployed individuals who had been paying premiums and had a recent job separation that qualified under the EI Program were eligible to receive EI benefits; 60.0% were receiving benefits during the survey reference week. Table 1 provides more detailed findings.

Reliability: At a confidence level of 95% (19 times out of 20), the 83.4% coverage figure is accurate within plus or minus 2.3 percentage points. Only estimates deemed to be reliable according to Statistics Canada's guideline of a coefficient of variation below 16.5% are used and reported.

Availability: Findings for the 2005 EICS are available at Statistics Canada's web site at <http://www.statcan.ca/Daily/English/061101/d061101b.htm>.

2. New Entrants/Re-Entrants and Immigrants

Author: *Audit and Evaluation, Human Resources and Social Development Canada (HRSDC)*

Objective: This study looks at the impact of the new entrant/re-entrant (NERE) provision on immigrants. It tests the hypothesis that recent immigrants are more likely to be subject to the NERE requirements, given that they are new to Canada. Thus, they may be less likely to be eligible for Unemployment

Insurance (UI) or EI benefits. In addition, this paper compares the benefit receipt rates of immigrants and Canadian-born workers.

Methodology: The analysis uses census data for the 1981 to 2001 period. Individuals who were under 15 or over 64 at the time of the census have been excluded from the sample, since these age groups have low labour force participation. The sample is also restricted to those who received employment earnings in the year prior to the census year. Descriptive statistical techniques are used to compare receipt of UI/EI benefits by immigrant workers and by Canadian-born workers, and the receipt of UI/EI benefits by recent immigrants and by immigrants who have been in Canada longer.

Key Findings:

- The benefit receipt rates for recent immigrants appear to support the hypothesis that those most likely to be NEREs—very recent immigrants (those who immigrated within the previous two years)—have lower benefit receipt rates than immigrants who have been in Canada longer. However, it is unclear whether this is due to the NERE rules or to the weaker labour force attachment of more recent immigrants.
- The longer that immigrants live in Canada, the more likely it is that their labour force performance and earnings will improve, thus reducing their dependence on transfer payments such as UI/EI. For instance, there is a noticeable drop-off in benefit receipt rates for immigrants who have been in Canada for 11 years or more. Also, benefit receipt rates appear to be lowest among immigrants who have arrived in Canada at a young age and have, therefore, been in Canada for a prolonged period.
- When the sample of workers is restricted to those residing in one of the seven census metropolitan areas (CMAs), immigrants have a higher benefit receipt rate than Canadian-born workers in each of the CMAs. However, the opposite is true outside these CMAs.

Reliability: An external academic peer reviewed this study.

Availability: This report will be released once the analysis becomes final.

Table 1

Eligibility for EI Benefits, 2005 Employment Insurance Coverage Survey (EICS)		
	Eligibility Rate for Unemployed with Recent Job Separation that Qualifies Under EI ¹	Receipt Rate for Unemployed with Recent Job Separation that Qualifies Under EI ¹
	%	%
Overall	83.4	60.0
Sex		
Women	82.0	56.7
Men	84.4	62.5
Age and Sex		
Unemployed youth (15 to 24 years old)	49.8	37.5
Unemployed adult women (25 to 69 years old)	87.2	60.8
Unemployed adult men (25 to 69 years old)	90.2	66.0
Region		
Atlantic	91.6	80.3
Quebec	86.7	60.3
Ontario	78.8	49.9
Prairies	82.7	59.9
British Columbia	76.4	65.8
Full-Time/Part-Time Employment Status Over the Last 12 Months		
Unemployed who worked part time only in the last 12 months	43.1	24.8
Unemployed who worked full time only in the last 12 months	90.4	67.1
Unemployed who worked part time and full time in the last 12 months	77.3	59.4
Work Pattern of Last Employment		
Permanent		
Full time	89.8	63.9
Part time	73.6	48.7
Non-permanent		
Seasonal	88.6	67.8
Other non-standard ²	67.7	50.8
Immigrant Status		
Canadian-born	84.8	65.6
Immigrants	77.3	40.9
<p>1. The unemployed with a recent job separation that qualifies under EI are individuals who have lost a job or quit a job with just cause, under current EI rules, in the previous 12 months. This figure includes all those who have done some work in the last 12 months, were not self-employed, did not leave their job to go to school and did not quit their job for a reason considered invalid according to current EI rules.</p> <p>2. "Other non-standard" refers to non-permanent paid jobs that were temporary, term, contractual, casual or non-permanent in some other way (but not seasonal). These unemployed people were not self-employed.</p>		

3. Potential EI Eligibility of Paid Workers in December 2004

Authors: *Constantine Kapsalis and Pierre Tourigny, Data Probe Economic Consulting Inc.*

Objective: The study aims to provide an estimate, using the Survey of Labour and Income Dynamics (SLID), of the proportion of employees who would have sufficient insurable hours to be eligible for EI benefits if they were to lose their job or quit with just cause. The report also provides the data used in Chapter 5 on potential access to special benefits among the employed population.

Methodology: The SLID is a longitudinal Statistics Canada survey that follows individuals over six consecutive years. Every three years, a new panel of individuals is added to the survey. The SLID provides information on people and their jobs, including weekly labour force activity; characteristics of each job held in a year; and personal, family and household characteristics. Coverage measures from the SLID are determined using a simulated scenario on the paid employed population.

Key Findings:

- Simulations indicate that 88.8% of individuals who were working as paid employees in December 2004 would have been eligible for EI regular benefits if they had lost their job at the end of that month. The proportion of individuals with sufficient hours to claim EI benefits was consistent across the country, with rates ranging from 87.0% in British Columbia to 89.6% in Quebec. Table 2 provides more detailed findings.

Reliability: At a confidence level of 95% (19 times out of 20), the 88.8% potential eligibility figure is accurate within plus or minus 0.4 percentage points. Only estimates that are deemed to be reliable according to Statistics Canada's guideline of a coefficient of variation below 16.5% are used and reported.

Availability: SLID data are available from Statistics Canada. See <http://www.statcan.ca/Daily/English/060120/b060120a.htm>.

4. Record of Employment-Based Measures of Eligibility

Author: *Audit and Evaluation, HRSDC*

Objective: This study aims to provide evidence to answer three questions: What percentage of unemployed people

are eligible for EI? What percentage of contributors to EI receive EI upon unemployment? Did EI reform have a disproportionate impact on any particular group?

Methodology: The analysis is based on the Record of Employment (ROE) database for 1991 to 2005. ROE data are used to examine the percentage of ROEs with enough hours of employment to meet the entrance requirements, and the percentage of ROEs that led to an EI claim. Each measure was calculated using ROEs for all job separations. In addition, each measure was calculated separately using ROEs for workers who lost their job due to layoff.

Key Findings:

- The percentage of ROEs that met the Variable Entrance Requirement (VER) with combined hours from ROEs in the last 52 weeks ranged from 84.6% in 1991 to 74.2% in 2005. For Canada, the overall percentage of ROEs that met requirements decreased along with the unemployment rate over the years. EI reform and other legislative changes that occurred between 1991 and 2005 did not have a noticeable impact on the overall percentage of ROEs that met the VER.
- The overall percentage of ROEs that led to an EI claim also decreased over time, with the percentage of ROEs leading directly to a claim ranging from 32.0% in 1991 to 21.8% in 2005. In general, the percentage of ROEs leading to a claim fell along with the unemployment rate. In this case, the analysis found that legislative changes in 1993 (Bill C-113) and 1994 (Bill C-17) had an effect on the percentage of ROEs leading to a claim in the year after each change.
- The results indicate that, before EI reform, the percentage of ROEs that met requirements was lower in regions with higher unemployment rates when the requirements were held constant. In this case, the VER appears to have increased the percentage of ROEs meeting requirements in regions with a high unemployment rate so that it was similar to the percentage in regions with a low unemployment rate.
- Following EI reform, the percentage of ROEs that met requirements was stable across regions with varying unemployment rates when the requirements were held constant. In this case, the VER increased the percentage of ROEs meeting requirements in regions with a high unemployment rate above the percentage in regions with a low unemployment rate.

Table 2

Eligibility for EI Benefits, 2005 Employment Insurance Coverage Survey (EICS)	
	December 2004 %
All Employees	88.8
Sex	
Women	85.1
Men	92.2
Age and Sex	
Employed youth (16 to 24 years old)	70.4
Employed adult women (25 years old and over)	88.4
Employed adult men (25 years old and over)	95.5
Region	
Atlantic	88.4
Quebec	89.6
Ontario	88.9
Prairies	88.9
British Columbia	87.0
Full-Time/Part-Time Employment Status Over the Last 12 Months	
Employed who worked part time only in the last 12 months	54.3
Employed who worked full time only in the last 12 months	95.7
Employed who worked part time and full time in the last 12 months	87.4
Sex and Full-Time/Part-Time Employment Status Over the Last 12 Months	
Employed who worked full time only in the last 12 months	
Women	95.0
Men	96.2
Employed who worked part time only in the last 12 months	
Women	56.1
Men	49.3
Employed who worked part time and full time in the last 12 months	
Women	84.6
Men	90.3
1. Simulated scenario: Individuals with paid employment in December 2004 are laid off at the end of the month. The longitudinal segment of the SLID is used to calculate insurable hours of employment under EI. Rules in effect in December are used to calculate eligibility for regular benefits under EI.	

Reliability: This is an update of an earlier study undertaken for the summative evaluation of EI. An external academic peer reviewed this study.

Availability: This report will be released once the analysis becomes final.

5. Younger Workers and New Entrants/ Re-Entrants

Author: *Audit and Evaluation, HRSDC*

Objective: This report examines trends in the youth NERE population, such as their basic socio-economic characteristics (including age, sex and education); their work and unemployment experiences; their job search and training behaviour; and their receipt of and eligibility for EI benefits.

Methodology: The analysis is based on EI administrative data (ROE and Status Vector files) linked to Canada Out-of-Employment Panel (COEP) survey data. Univariate statistical analysis and regression (probit model) estimation techniques were applied to determine youth claimant characteristics and the possibilities of youths qualifying for and receiving EI benefits.

Key Findings:

- The trend analysis shows that the share of youth NEREs among all NEREs increased in 1997, with youth NEREs making up slightly more than half of all NEREs.
- The majority of NEREs do not accumulate the necessary hours during the qualifying period.
- In terms of job search behaviour, NEREs and non-NEREs are quite similar, but the differences among the different types of NEREs are more dramatic. Non-youth NEREs spend roughly 40% more time conducting job searches each week than youth NEREs (14.9 hours vs. 10.7 hours).
- There are marked differences in the types and extent of training undertaken by NEREs and non-NEREs. NEREs are about 12 percentage points more likely to take training than non-NEREs (34.0% vs. 22.2%), with youth NEREs being the most likely (42.6%).
- Statistical estimation analysis reveals that EI reform had a pronounced effect on benefit receipt for all types of NEREs, particularly for youth NEREs. In general though, youth NEREs and non-youth NEREs are equally less likely to collect EI benefits than non-NEREs.

Reliability: An external academic peer reviewed this study.

Availability: This report will be released once the analysis becomes final.

6. A Note on the Characteristics of Unemployed Older Workers Using COEP

Author: *Audit and Evaluation, HRSDC*

Objective: This report provides a descriptive analysis of older EI claimants, identifying the labour market differences between older workers aged 55 to 59 and those aged 60 to 70. It also compares older workers to prime-age workers aged 25 to 54. Four aspects are studied: employment experiences, unemployment and claim experiences, unemployment duration and post-claim experiences.

Methodology: This report uses EI administrative data files (ROE and Status Vector files), based on a sample of individuals having at least one regular claim between January 1, 1994, and December 31, 2004. Records for the sampled individuals were linked to COEP survey data to study claimant characteristics not available from administrative data.

Key Findings:

- Older workers between 55 and 59 go through different labour market experiences than those between 60 and 70. The sex breakdown for the 55 to 59 group is similar to that of prime-age workers but quite different from that of older workers between 60 and 70. Moreover, claimants between 55 and 59 are less likely to leave the job market for retirement than their older counterparts are.
- In general, older workers are more likely than prime-age workers to exhaust their EI entitlement. In particular, compared to prime-age claimants, those between 55 and 59 are 3.4 percentage points more likely to exhaust their claims, and those between 60 and 70 are 12.6 percentage points more likely to exhaust their claims. The unemployment spells of older workers are two weeks longer than those of prime-age workers, which explains the higher exhaustion rate.
- Compared to prime-age workers, older workers are three times less likely to engage in training while unemployed and those over 60 are three times more likely to visit union hiring halls when looking for employment.
- The main conclusion of this report is that older workers are not a homogeneous group. Although the labour

market differences between older and prime-age workers are significant, the differences between the 55 to 59 and the 60 to 70 age groups are also important.

Reliability: This paper updates a 2004 study and has been peer reviewed by an external academic.

Availability: This report will be released once the analysis becomes final.

7. Eligibility for EI Maternity and Parental Benefits After a First Child

Author: *Audit and Evaluation, HRSDC*

Objective: This report aims to provide evidence on the rate of eligibility for EI maternity and parental benefits after the arrival of a first child, and on the impacts of Bill C-32 (2000).

Methodology: This report is based on EI administrative data (ROE and Status Vector files) covering the period from June 1992 to December 2005. It looks at women who received an ROE indicating a job separation for pregnancy or parental reasons, and who had sufficient insurable work hours to be eligible for EI special benefits. This sample was further divided into two categories of EI claimants: mothers who satisfied the work hours eligibility conditions for their next child and those who did not have enough hours to qualify for at least one of their next children. The rate of eligibility for these mothers was calculated by combining hours from their ROEs in the previous 52 weeks to determine the percentage of ROEs meeting the work hours entrance requirement. Descriptive statistics and regression methods were used to examine the take-up and eligibility of mothers for EI benefits.

Key Findings:

- When comparing mothers who were eligible for maternity benefits for their next child in this time period to those who were not eligible, the study shows the following:
 - 28.8% of ineligible mothers and 18.1% of eligible mothers were between 15 and 24 years old;
 - eligible mothers collected an average of \$306 in maternity benefits per week for their first child, whereas ineligible mothers received an average of \$244;
 - ineligible mothers waited an average of 137 weeks before having another child, compared to 158 weeks for eligible mothers, for a difference of 21 weeks; and

– close to 40% of ineligible mothers had three or more children, compared to 18% of eligible mothers.

- Enhanced benefits did not reduce the eligibility rate for mothers having a second child. In fact, the eligibility rate increased due to the reduction in the entrance requirement (from 700 hours to 600 hours). However, without the reduction of the entrance requirement, the eligibility rate would have decreased from 94.5% in 2000 to 92.0% in 2002 and thereafter.

Reliability: An external academic peer reviewed this study.

Availability: This report will be released once the analysis becomes final.

8. Employment Insurance in Canada and International Comparisons

Authors: *Marc Van Audenrode, Andrée-Anne Fournier, Nathalie Havet and Jimmy Royer, Analysis Group*

Objective: This literature review compares the Canadian EI system to UI systems in other developed countries, primarily European countries and the United States.

Methodology: The study compares major aspects of the Canadian EI system and international UI systems, such as budgeting and financing, eligibility criteria, waiting periods and benefit duration, and level of benefits. The paper also discusses unemployment assistance, a form of extended EI used in other countries. Finally, the study briefly examines methods of encouraging work attachment, such as sanctions and active measures.

Key Findings:

- Budgeting and financing: In most countries, UI is mandatory for workers and is managed by the government. Sometimes, the government shares management with unions or employers. In most countries, UI systems are funded primarily through a payroll tax. However, the share paid by employers, by employees and through government subsidies varies significantly among countries. Sometimes, UI contributions are lumped in with contributions for other social programs. As a percentage of gross domestic product, Canada spends more on EI than the U.S., but less than many European countries.
- Eligibility and entitlement: It is relatively easy to qualify for benefits in Canada, but the benefits last a relatively shorter period of time, in comparison to many other countries. A worker can qualify with as little as 420 hours

of work (12 weeks) in Canada, whereas most other countries require at least six months to one year of qualifying work. A Canadian worker can receive as little as 14 weeks of benefits (the maximum is 45 weeks), while in most other countries, the minimum is six months and the maximum can be as long as four years.

- **Waiting periods:** In most other countries, there is a waiting period of one week after job loss before a worker can receive benefits. Some countries have no waiting period.
- **Benefit levels:** Canada's 55% replacement rate is lower than that in many European countries, but comparable to that in most U.S. states. Some countries have much higher maximum insurable earnings.

Reliability: An independent expert has peer reviewed this study. It is based on data available in international publications.

Availability: This paper is a technical report related to the summative evaluation of EI. Once approved, it will be released on HRSDC's web site.

9. Family Supplement

Author: *Audit and Evaluation, HRSDC*

Objective: This study examines two issues related to the Family Supplement (FS). The first is the impact of the FS on the incentive to work. The second is the declining share of FS claims relative to all EI claims since 1999/00, as noted in recent editions of the *Monitoring and Assessment Report*. It has been suggested this drop is due to the frozen threshold level for receiving the FS, which has led to a fall in receipt of the FS as wage rates have increased.

Methodology: The Status Vector file provides information describing the characteristics of individual claimants that is used to measure the incentive to work. To test the possible impact of the FS threshold's indexation and the consequences for accessibility, two surveys were used: the SLID and the COEP survey. The databases were used to create two models to replicate the FS calculation.

Key Findings:

- Overall, there appears to be no evidence that the FS has created a significant disincentive to return to work, as shown by the fact that there was only a marginal

increase of 1.6 weeks between 1994 and 2002 in the average total number of weeks that affected individuals claimed UI or EI benefits.

- The share of EI claims involving the FS has decreased each year relative to all EI claims since 1999/00. This situation can be explained by rising annual family net income, combined with an FS threshold that has remained at \$25,921. Indexing the FS threshold would maintain access to the FS for the target population of low income families who receive EI and have children.

Reliability: The effect of the FS on the incentive to work has been reported in previous editions of the *Monitoring and Assessment Report*. This report reflects similar results of earlier studies. However, this is the first time that the non-indexation of the FS threshold has been monitored. Two SLID and COEP surveys provide corroboration from multiple sources.

Availability: The results of this study have provided input to the summative evaluation of EI Part I. A summary document is available on the HRSDC web site: <http://www.hrsdc.gc.ca/en/cs/sp/hrsd/evaluation/reports/sp-ah-685-06-06/page00.shtml>.

10. Distribution of Unemployment Duration for Regular EI Claimants

Author: *Audit and Evaluation, HRSDC*

Objective: This paper examines two possible impacts of changes in the UI/EI rules on the duration of unemployment spells: whether the length of unemployment of regular EI claimants varied with the duration of benefit entitlement and the regional unemployment rate; and whether the 1990s EI changes led to longer or shorter unemployment spells.

Methodology: This study is based on EI administrative data (ROE and Status Vector files). A 10% sample of EI claims was restricted to those claimants who initiated at least one regular claim between January 1990 and April 2005 with at least \$1 of regular benefits paid. For these claimants, all ROEs from January 1990 to April 2005 were extracted (whether or not a claim was initiated) to measure unemployment duration after each job separation. The duration of unemployment was measured in weeks, with the unemployment period defined as the period in which a claimant is not working for pay. The study compares the average unemployment duration following four sets of UI/EI changes that took place in the 1990s.

Key Findings:

- The UI/EI changes in the 1990s led to shorter entitlement weeks and lower benefit rates. During the same period, unemployment duration and unemployment rates decreased steadily.
- Unemployment rates, regional unemployment rates, weekly benefit amounts and claim duration are all positively correlated with the number of weeks a claimant was unemployed.
- Claimants living in the territories experience the longest unemployment duration, and those in Quebec and Ontario usually have shorter unemployment spells than claimants in the eastern and western provinces.
- Unemployment spells are shortest in the education sector.
- Claimants who receive training, especially those trained after Bill C-12, are unemployed longer than those who do not. Claimants who are re-employed by their last employer have longer unemployment spells. The same is true for claimants who exhaust their EI benefits.

Reliability: An external academic peer reviewed this study.

Availability: This report will be released once the analysis becomes final.

11. The Repeat Use of EI Benefits by Youths

Author: *Audit and Evaluation, HRSDC*

Objective: This study tries to determine the reasons why some youths go on to become repeat users of EI benefits while others do not. It examines the impact of various factors on the repeat use of EI benefits.

Methodology: This study uses a random selection of administrative data for 100,000 EI claims from youths aged 15 to 24 (Status Vector file). Using descriptive statistics and regression methods, the study examines recent trends in the repeat use of EI benefits by youths, the degree to which different groups of youths are becoming repeat users over time, and the reasons why some youths go on to become repeat users while others do not.

Key Findings:

- Since 1996, the percentage of first-time youth claimants who go on to become repeat users has risen.

The report shows that the younger individuals are when they make their first claim, the more likely they are to go on to become future repeat users of EI benefits.

- Repeat use is highest in the primary industries, where many youth workers are employed on a seasonal basis. Many of these seasonal workers collect EI benefits while unemployed. Youth construction workers and those in education are also far more likely to become repeat users, as they too are employed on a seasonal basis.
- Youths whose first claim has a lower benefit rate are less likely to become future repeat users of the EI system.
- Also, youths who are entitled to fewer than 30 weeks of benefits during their first claim do not go on to become repeat users to the same extent as those who are entitled to between 30 and 39 weeks of benefits. However, youths entitled to 40 benefit weeks or more during their first claim are less likely to become repeat users than those entitled to between 30 and 39 weeks. The same pattern appears to hold for the actual number of benefit weeks received. Youths who exhaust their first claim are less likely to become future repeat users.

Reliability: An external academic peer reviewed this study.

Availability: This report will be released once the analysis becomes final.

12. What Works and for Whom: A Review of OECD Countries' Experiences with Active Labour Market Policies

Authors: *John P. Martin and David Grubb, OECD*

Objective: This paper reviews the experience of OECD countries with active labour market policies by examining evaluation results. It seeks to identify some key features in the design of the programs themselves or in the characteristics of the target group that were relevant to the success or failure of the program in question.

Methodology: All studies used either an experimental or quasi-experimental design and examined net impacts of program participation. However, since the reliability and generality of the results from the variety of studies are not always clear, conclusions must be drawn with caution.

Key Findings:

- Outcomes of public training programs, job search assistance and subsidies to private sector employment,

including self-employment and employment subsidies, are generally positive or mixed.¹ These initiatives do work for some target groups, even if the impacts are not large.

- **Public training programs:** The results of participating in public training programs are positive for adult women but mixed for adult men. No program seems effective for youth. To enhance effectiveness, countries should tightly target participants, keep programs relatively small, ensure courses lead to a qualification that is recognized and valued by the market, and include a strong on-the-job component in the program.
- **Job search assistance:** Program evaluations show positive outcomes in the U. S., the U. K., Canada and Sweden, but no significant impact in the Netherlands. However, the best combination of job placement and work search enforcement is not determined, although it is likely that both are necessary to produce benefits.
- **Subsidies to private sector employment:** Findings from several countries show that private sector employment subsidies work better than public training programs or direct job creation schemes. Aid to the unemployed to start their own business (self-employment assistance) appears to be successful in some cases.

Reliability: Reviews by Friedlander et al. (1997), Stanley et al. (1998) and Heckman et al. (1999) support Martin and Grubb's findings about public training programs.

Availability: John P. Martin and David Grubb, "What Works and for Whom: A Review of OECD Countries' Experiences with Active Labour Market Policies," *Swedish Economic Policy Review* 8, 2 (2001): 9–56, http://www.ekonomiskaradet.se/Panda_ekonomiska/Data/Documents/sepr2001/Martin.pdf.

13. Usage of the Work Sharing Program: 1989/90 to 2005/06

Author: *Audit and Evaluation, HRSDC*

Objective: This monitoring report examines the usage of the Work Sharing program from 1989/90 to 2005/06. The report examines the extent to which the Work Sharing program was used; expenditures on Work Sharing benefits; and the characteristics and experiences of Work Sharing participants.

Methodology: The report is based on EI administrative data (Status Vector file). Descriptive statistical techniques were applied to examine aggregate information on claims—such as the average length of claim and the average amount of benefits received—as well as some of the characteristics of the claimants, such as sex, age, region and industry.

Key Findings:

- Overall, the rationale for the program continues to be relevant, and the program does achieve its primary goal of averting layoffs.
- Program usage and expenditures are counter-cyclical. The program is used more intensively during periods of economic downturn and less intensively during periods of economic recovery.
- There also appears to be a seasonal component to program usage. The program is used most heavily in the fourth and first quarters and least heavily in the third quarter.
- Participants from the manufacturing industry are the main users of the program in all years, representing about two thirds of the total.
- The average Work Sharing claim for benefits lasts about 17.5 weeks, with an average work reduction of about 28.4%, or 1.5 work days per week for a full-time employee. The average weekly benefit is roughly \$58 when measured in 1997 dollars.
- The estimated number of layoffs averted in 2005/06 was 3,094. Over time, the estimates varied closely with program participation, and ranged from a low of 2,253 in 1999/00 to a high of 36,319 in 1990/91.

Reliability: This is an update of an earlier evaluation of the Work Sharing program and the results have not changed. This study was not peer reviewed.

Availability: This report will be released once the analysis becomes final.

14. Earnings Instability

Authors: *René Morissette and Yuri Ostrovsky, Statistics Canada*

Objective: This study compares the earnings instability of lone parents and unattached individuals with that of

1. Though not of direct interest in the context of EI Part II funding, it may be worth mentioning that youth employment programs, with the notable exception of Job Corps in the U.S., have not been successful. Job Corps yielded statistically significant earnings gains for disadvantaged youth.

two-parent families over the past two decades. The role of government transfers and family benefits in reducing earnings instability is also examined.

Methodology: Using a 10% version of Statistics Canada's Longitudinal Administrative Databank based on tax data between 1984 and 2004, the analysis describes annual variations in earnings around a six-year average adjusted for group-specific time trends.

Key Findings:

- Earnings instability varies considerably and is much higher among families in the bottom third of the employment income scale than among those in the top third.
- Government transfers provide a substantial offset for income losses and thus reduce income volatility. The progressive nature of income taxes further reduces volatility by restricting both income gains and income losses.
- Social assistance appears to be the single most important factor in reducing income instability among lone mothers in all age groups.
- Among unattached individuals with positive earnings in all six years of a considered period, EI is far more important than social assistance in reducing instability.

Reliability: All articles in *Perspectives on Labour and Income* go through institutional review to ensure that they conform to Statistics Canada's mandate as a governmental statistical agency and adhere to generally accepted standards of good professional practice.

Availability: René Morissette and Yuri Ostrovsky, "Earnings Instability," *Perspectives on Labour and Income* 7,10 (October 2006), <http://www.statcan.ca/bsolc/english/bsolc?catno=75-001-X&CHROPG=1#v7n10>.

15. Employment Insurance and Geographic Mobility: Evidence from the Survey of Labour and Income Dynamics

Authors: Rick Audas and James Ted McDonald, *Social Research and Demonstration Corporation (SRDC)*

Objective: This working paper presents a comprehensive analysis of the relationship between the EI Program and geographic mobility. The concept of geographic mobility is expanded to include not only interprovincial but also intra-provincial mobility.

Methodology: Using longitudinal data from the SLID for the period from 1993 to 1999, this paper estimates the determinants of geographic mobility and shows that the relationship between EI and migration is a complex one that critically depends on individuals' degree of attachment to the labour market.

Key Findings:

- While no strong evidence of a direct relationship between EI Program parameters and geographic mobility is found, there is some evidence of an indirect relationship for certain workers.
- For people who work between 20 and 49 weeks during the year before a potential move, the results suggest that actual EI receipt reduces geographic mobility, although there was no effect for people who work more than 49 weeks or fewer than 20 weeks.
- This paper finds that people who work less than 20 weeks during the previous year are more likely to move out of a region when the local unemployment rate is high, but this relationship seems to exist only in the period from 1997 to 1999.

Reliability: An external academic peer reviewed this study.

Availability: SRDC has published this study, which is available at <http://www.srdc.org>.

Annex 6 Recent Changes to Employment Insurance

Elements of EI Reform: Bill C-12 (1996 and 1997)

Element	Rationale
<p>Reduction in Maximum Insurable Earnings (MIE)</p> <ul style="list-style-type: none"> The MIE was reduced to \$750 (the equivalent of \$39,000 per year) in 1996 and frozen at this level until 2000. This reduced the maximum weekly benefit to \$413 (55% of \$750) from \$448 in 1995 and \$465 for the first six months of 1996. 	<ul style="list-style-type: none"> Bases the MIE on a formula that takes into account average wage increases over the previous eight years. Because the high inflation and wage increases of the 1980s continued to be considered in setting the MIE, it had escalated faster than wages, making EI benefits competitive with wages in some parts of the country and in some industries.
<p>Reduced Maximum Benefit Duration</p> <ul style="list-style-type: none"> Effective July 1996, the maximum length of a claim was reduced from 50 to 45 weeks. 	<ul style="list-style-type: none"> Reflects the fact that most claimants find work within the first 40 weeks of receiving benefits. Only affects workers in high unemployment regions who work for long spells prior to unemployment.
<p>New Entrants and Re-Entrants</p> <ul style="list-style-type: none"> Effective July 1996, new entrants and re-entrants to the labour force needed 26 rather than 20 weeks of work to qualify for EI. In January 1997, the 26 weeks were converted to 910 hours. This rule applies only to those who have had minimal or no labour market attachment over the past two years. Workers who have at least 490 hours of work in the first year of employment need only 420 to 700 hours the next year. Time on EI, workers' compensation, disability benefits and sick leave counts as time worked. 	<ul style="list-style-type: none"> Discourages a cycle of reliance: <ul style="list-style-type: none"> ensures that workers, especially young people, develop a significant attachment to the labour force before collecting EI benefits. Returns insurance principles to the system: <ul style="list-style-type: none"> workers must make a reasonable contribution to the system before collecting benefits. Strengthens the relationship between work effort and entitlement to benefits.
<p>Benefit Calculation</p> <ul style="list-style-type: none"> Weekly benefits are calculated as follows. Total earnings over the 26-week period preceding the establishment of the claim are divided by the number of weeks of work in this period or the minimum divisor of 14 to 22 (depending on the regional rate of unemployment), whichever is higher. The result is multiplied by 55% to determine the weekly benefit. 	<ul style="list-style-type: none"> Creates a strong incentive to work more than the minimum amount of time to qualify for benefits (at least two more weeks than the old entrance requirement). Provides an incentive to work in the "shoulder" season. Ensures a better relationship between flow of benefits and normal earnings.

Elements of EI Reform: Bill C-12 (1996 and 1997) *(continued)*

Element	Rationale
<p>Hours-Based System</p> <ul style="list-style-type: none"> • Effective January 1997, EI eligibility is based on hours rather than weeks worked. • For regular benefits, claimants need 420 to 700 hours instead of 12 to 20 insured weeks. • For special benefits, claimants need 700 hours instead of 20 insured weeks. 	<ul style="list-style-type: none"> • Is a better measure of time worked. • Removes inequities and anomalies of the weeks system: <ul style="list-style-type: none"> – recognizes the intense work patterns of some employees; – corrects the anomaly that existed under Unemployment Insurance (UI), when 15 hours or 50 hours both counted as one week; and – eliminates the 14-hour job trap—under UI, those working fewer than 15 hours (either all the time or some of the time) with a single employer were not insured or not fully insured. • Is fairer and more equitable (all hours count).
<p>Family Supplement</p> <ul style="list-style-type: none"> • Claimants with children and an annual net family income of up to \$25,921 receive a top-up of their basic insurance benefits. • The Family Supplement increased the maximum benefit rate to 65% in 1997, to 70% in 1998, to 75% in 1999, and to 80% in 2000. 	<ul style="list-style-type: none"> • Better targets assistance to those most in need: <ul style="list-style-type: none"> – the 60% rate under UI was very poorly targeted—about 45% of low income families did not qualify; and – about 30% of those who did receive the 60% rate had a family income over \$45,000.
<p>Allowable Earnings While on Claim</p> <ul style="list-style-type: none"> • Effective January 1997, claimants can earn \$50 or 25% of their weekly benefit, whichever is higher. 	<ul style="list-style-type: none"> • Helps low income claimants. • Encourages claimants to maintain labour force attachment and increase their earnings from work.
<p>Benefit Repayment (Clawback)</p> <ul style="list-style-type: none"> • Benefits are repaid at the rate of \$0.30 for every \$1 of net income above the threshold. • For those who have collected 20 or fewer weeks of benefits in the last five years, the threshold is \$48,750 of net income (the former level was \$63,750). The maximum repayment remains at 30% of benefits received. • For those with more than 20 weeks of benefits in the last five years, the threshold is \$39,000 of net income. The maximum repayment varies from 50% to 100% of benefits received. 	<ul style="list-style-type: none"> • Is fairer and more accurately reflects insurance principles. • Discourages repeat use of EI by those with high annual income.
<p>Intensity Rule</p> <ul style="list-style-type: none"> • The intensity rule reduces the benefit rate by one percentage point for every 20 weeks of regular or fishing benefits collected in the past five years. • The maximum reduction is five percentage points. 	<ul style="list-style-type: none"> • Introduces an element of experience-rating to the program, since heavy users of the system bear more of the costs. • Discourages use of EI as a regular income supplement rather than insurance for times of unpredictable job loss, while not excessively penalizing those who make long or frequent claims. • Creates a better balance between contributions made and benefits received.
<p>First-Dollar Coverage</p> <ul style="list-style-type: none"> • Effective January 1997, all earnings, from the first dollar, are insurable, up to the annual MIE. There are no weekly minimums or maximums for determining earnings. 	<ul style="list-style-type: none"> • Creates a more equitable and balanced system— all work is insurable. • Substantially decreases paper burden for employers.

Elements of EI Reform: Bill C-12 (1996 and 1997) *(continued)*

Element	Rationale
<p>Premium Refunds</p> <ul style="list-style-type: none"> Beginning in 1997, workers earning \$2,000 or less per year have their premiums refunded. 	<ul style="list-style-type: none"> Helps workers who must pay premiums but will not have enough hours to qualify for benefits.
<p>Increased Sanctions for Fraud</p> <ul style="list-style-type: none"> Effective July 1996, penalties for fraud by employers and claimants were increased. Effective January 1997, claimants who committed fraud after June 1996 face higher entrance requirements. 	<ul style="list-style-type: none"> Protects the integrity of the EI Program.

Enhanced Parental Benefits: Bill C-32 (2000)

Element	Rationale
<p>Parental Benefits</p> <ul style="list-style-type: none"> Effective December 31, 2000, the duration of parental benefits was increased from 10 to 35 weeks. 	<ul style="list-style-type: none"> Helps parents spending time with their child during the critical first year of his or her life. Helps working parents to better balance their work and family responsibilities.
<p>Entrance Requirement</p> <ul style="list-style-type: none"> Effective December 31, 2000, the number of hours of insurable employment required to qualify for maternity, parental or sickness benefits was reduced from 700 to 600 hours. 	<ul style="list-style-type: none"> Improves access to special benefits.
<p>Waiting Period</p> <ul style="list-style-type: none"> Effective December 31, 2000, a second parent sharing parental leave is no longer required to serve a second two-week waiting period. 	<ul style="list-style-type: none"> Improves flexibility by allowing parents who share benefits to serve only one waiting period.
<p>Allowable Earnings While on Claim</p> <ul style="list-style-type: none"> Effective December 31, 2000, claimants can earn \$50 or 25% of their weekly parental benefit, whichever is higher. 	<ul style="list-style-type: none"> Helps low income claimants. Improves flexibility by allowing parents to work while receiving parental benefits.

A More Responsive EI Program: Bill C-2 (2001)

Element	Rationale
<p>Intensity Rule</p> <ul style="list-style-type: none"> Effective October 1, 2000, the intensity rule was eliminated. 	<ul style="list-style-type: none"> This rule was proven to be ineffective and had the unintended effect of being punitive.
<p>Benefit Repayment (Clawback)</p> <ul style="list-style-type: none"> Effective retroactive to the 2000 taxation year: <ul style="list-style-type: none"> first-time claimants of regular or fishing benefits are now exempt from the benefit repayment; claimants of special benefits (maternity, parental and sickness benefits) are no longer required to repay any of those benefits; and the benefit repayment threshold for regular and fishing benefits is at one level: \$48,750 of net income, with a repayment rate of 30% (the maximum repayment is the lesser of 30% of excess net income above the threshold of \$48,750 or 30% of the claimant's benefits). 	<ul style="list-style-type: none"> Corrects a discrepancy. Analysis indicated that the benefit repayment provision was having a disproportionate impact on middle income claimants. Focuses on repeat claimants with high incomes and simplifies the provision.
<p>Re-Entrant Parents</p> <ul style="list-style-type: none"> Effective retroactive to October 1, 2000, the rules governing re-entrant parents were adjusted so that these claimants now require the same number of hours as other workers to qualify for regular benefits. 	<ul style="list-style-type: none"> Ensures that parents returning to the work force following an extended absence to raise young children are not penalized.
<p>MIE</p> <ul style="list-style-type: none"> The MIE will remain at \$39,000 until the average earnings exceed this level, at which time the MIE will be based on average earnings. 	<ul style="list-style-type: none"> Corrects a discrepancy. The MIE was higher than the average industrial wage.

Access to Special Benefits: Bill C-49 (2002)

Element	Rationale
<p>Period to Claim Parental Benefits</p> <ul style="list-style-type: none"> Effective April 21, 2002, parents of a newborn or newly adopted child who is hospitalized for an extended period now have a window of up to two years, instead of one year, to claim parental benefits. 	<ul style="list-style-type: none"> Provides flexibility for parents who choose to wait until their child arrives home before collecting parental benefits.
<p>Period to Claim Special Benefits</p> <ul style="list-style-type: none"> Effective March 3, 2002, the maximum number of combined weeks of special benefits was increased from 50 to 65 weeks. 	<ul style="list-style-type: none"> Ensures full access to special benefits for biological mothers who claim sickness benefits prior to or following maternity or parental benefits.

Compassionate Care Benefits: Bill C-28 (2003)

Element	Rationale
<p>Compassionate Care Benefits</p> <ul style="list-style-type: none"> • Effective January 4, 2004, compassionate care benefits are available to help eligible family members to provide or arrange care for a gravely ill family member who faces a significant risk of death within a 26-week period. The duration of the benefits is up to six weeks within the 26-week window. • Flexibility is a key feature of the new benefits. Claimants can choose how and when to claim benefits within the 26-week window. Eligible family members can decide to have one person claim all six weeks or decide to share the benefit. Eligible family members can claim weeks of compassionate care benefits concurrently or consecutively. 	<ul style="list-style-type: none"> • Provides support to workers during temporary absences from work due to the need to provide care or support to a gravely ill family member who faces a significant risk of death within a 26-week period.

