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# Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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Chair: Mr. Sean Casey



## Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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• (1530)  
[English]

**The Chair (Mr. Sean Casey (Charlottetown, Lib.)):** I call this meeting to order.

Welcome to meeting number 18 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Today's meeting is taking place in a hybrid format, pursuant to the House order of January 25, 2021. The proceedings will be made available via the House of Commons website. The webcast will always show the person speaking rather than the entirety of the committee.

Pursuant to Standing Order 108(2) and the motion adopted by this committee on Wednesday, October 28, 2020, the committee will resume its study of the review of the employment insurance program.

I welcome our witnesses, who will begin our discussion with five minutes of opening remarks, followed by questions.

We have with us today, from the Canada Revenue Agency, Annette Butikofer, who is the assistant commissioner and chief information officer; and Frank Vermaeten, assistant commissioner. From Statistics Canada are Josée Bégin, director general, labour market, education and socio-economic well-being; and Vincent Dale, director of the centre for labour market information.

For the benefit of our witnesses, I have a few additional comments. Interpretation in this video conference will work very much like that of a regular committee meeting. You have the choice, at the bottom of your screen, of floor, English or French. When speaking, please speak slowly and clearly. When you're not speaking, your mike should be on mute.

We'll start with Mr. Vermaeten, for five minutes, please.

You have the floor, sir. Welcome to the committee.

**Mr. Frank Vermaeten (Assistant Commissioner, Assessment, Benefit and Service Branch, Canada Revenue Agency):** Thank you very much and good afternoon, everyone.

Thank you for the invitation to appear before the committee today as you continue your review of the employment insurance program.

With me is my colleague, Annette Butikofer, who's assistant commissioner and chief information officer of the information technology branch at the Canada Revenue Agency. In my brief remarks,

I'd like to provide the committee with a short description of the CRA's responsibility with regard to delivering benefits to Canadians.

First and foremost, the CRA seeks to ensure that Canadians obtain benefit payments in a timely manner and have avenues of redress when they disagree with a decision on their benefit eligibility. The CRA administers the Canada child benefit, the goods and services tax, the harmonized sales tax credit, the children's special allowances program, the disability tax credit, the Canada workers benefit and provincial and territorial programs.

Indeed, the CRA uses its federal tax delivery infrastructure to administer 181 services, ongoing benefits and one-time payment programs on behalf of the provinces and territories. These income-tested benefits and other services contribute directly to the economic and social well-being of Canadians by supporting families and children.

I should note that while the CRA is the administrator of many other benefits, the CRA has no direct involvement in the administration of the EI program or the EI system.

As the committee may know, the CRA's role in delivering benefits evolved as the COVID-19 pandemic hit, at the peak of the 2019 tax season. The CRA shifted gears to focus on the administration and issuance of emergency benefits to Canadians impacted by the pandemic. The Canada emergency response benefit was launched in April 2020 and was jointly administered by the CRA and Service Canada. Given the speed required to deliver the CERB payments to Canadians—within some three weeks—and the initial 16-week duration, the CRA leveraged pre-existing information technology services to ensure that payments would be issued on a timely basis.

As of February 14, 2021, the CRA had processed 22,652,229 CERB applications, representing \$45.3 billion paid to Canadians. The CERB was followed by the Canada emergency student benefit, or CESB, in 2020, which leveraged the program and system design of CERB. Through the course of administering the CESB, the CRA has processed 2,140,226 applications, representing \$2.94 billion paid to Canadians.

As part of the transition from CERB, since the fall of 2020, the CRA now administers three new COVID benefits: the Canada recovery benefit, the Canada recovery caregiver benefit and the Canada recovery sickness benefit.

As of February 13, 2021, the CRA had processed and paid out to Canadians, for the CRB or recovery benefit, 9,864,423 applications, representing \$9.86 billion. For the CRCB—the caregiver benefit—we paid out 2,840,045 applications, representing \$1.42 billion, and for the CRSB there have been 675,473 applications, representing \$337.74 million.

In addition, the CRA also administers the Canada emergency wage subsidy and the Canada emergency rent subsidy programs, which were launched to assist businesses during the pandemic. As of February 14, 2021, 2,619,890 wage subsidy applications had been approved, with a \$65.56-billion value of subsidies approved. As of February 7, 2021, 347,480 rent subsidy applications had been approved, with \$1.29 billion in payments of subsidies approved.

In conclusion, while the CRA has no direct involvement in the administration of the EI program or systems, as those are the responsibility of ESDC, the CRA plays an important role in delivering many other benefits on which Canadians rely.

Thank you again for the invitation to appear, Mr. Chair. Ms. Butikofer and I would be happy to answer any questions the committee may have.

• (1535)

**The Chair:** Thank you very much.

Next, we're going to hear from Statistics Canada.

Ms. Bégin, you have the floor for five minutes. Welcome.

**Ms. Josée Bégin (Director General, Labour Market, Education and Socio-Economic Well-Being, Statistics Canada):** Thank you, Mr. Chair.

Thank you, members of the committee. Thank you for inviting Statistics Canada to speak today as part of the study on employment insurance.

[*Translation*]

Statistics Canada has many data sources, such as the Labour Force Survey, or LFS, and employment insurance, or EI, statistics, that are used to paint a more complete portrait of labour market-related events. Many of the indicators I will cite today are drawn from these sources. Each data source has its benefits and drawbacks, for example, in terms of coverage, sample size and how quickly data are published.

The pandemic has caused unprecedented job losses in Canada. Total employment fell by more than three million during the worst of the crisis in March and April. Within three months, the unemployment rate almost tripled, reaching 13.7% in May. Although the labour market has improved since then, most labour market indicators have not yet returned to pre-pandemic levels. Their recovery has been slowed by the public health measures in place.

In January 2021, the unemployment rate stood at 9.4%, compared with 5.7% in February 2020. The number of long-term unem-

ployed workers, in other words, people who have been looking for work or on temporary layoff for 27 weeks or more, remained at a record high of 512,000.

New experimental data show that COVID-19 has significantly impacted groups designated as visible minorities. In January, the unemployment rate of Black Canadians was 5.3 percentage points higher than a year earlier, versus an increase of 3.7 percentage points for Canadians who did not identify as indigenous or did not belong to a group designated as a visible minority. This more precarious labour market situation for population groups designated as visible minorities is partly due to the higher concentration of these workers in some of the sectors most affected by the COVID-19 economic crisis, such as accommodation and food services.

Looking at age groups, youth employment in January 2021 was the furthest, -14%, from the pre-pandemic levels of February 2020, when compared with other demographic groups, particularly employment among young women, -17%.

Last December, 1.3 million Canadians were receiving regular EI benefits, almost triple the number from February 2020, which was 446,000.

The results of the LFS show that 1.8 million people were unemployed in December, including 1.5 million who were looking for work and 300,000 who had a connection to a job, either because they had been laid off temporarily or because they had arrangements to start a new job in the near future.

There is always a proportion of unemployed who are not eligible for EI benefits. Some unemployed people have not contributed to the program because they have not worked in the past 12 months or because their job was not insured. Others contributed to the program, but they do not meet the eligibility criteria.

In December, 13% of all regular EI beneficiaries were eligible as a result of temporary changes made to the eligibility rules in September 2020. This proportion was higher in Quebec and in the Atlantic provinces than in the other provinces.

The December LFS results revealed that the industries where employment remained furthest from pre-pandemic levels included accommodation and food services, information, culture and recreation, and what is known as other services, including personal services and laundry services. The challenges facing these industries are reflected in the profile of regular EI beneficiaries. For example, in December, more than one in four regular EI beneficiaries had last worked in one of these three sectors.

• (1540)

The uneven impact of COVID-19 across industries, combined with relaxation of the rules for accessing the EI program, has also driven the proportion of women who receive regular benefits upward, which rose from 37% in February to 48% in December.

[English]

My colleague Vincent and I would be happy to answer any of your questions.

This concludes my presentation, Mr. Chair. I hope this overview of the Canadian labour market will be useful to the committee.

[Translation]

**The Chair:** Thank you, Ms. Bégin.

We will now move into questions, starting with Mr. Lawrence, of the Conservative Party. Please go ahead, Mr. Lawrence. You have six minutes.

[English]

Mr. Lawrence, welcome to the committee.

You have the floor.

**Mr. Philip Lawrence (Northumberland—Peterborough South, CPC):** My questions will all be with respect to the CRA. I'm very much looking forward to Statistics Canada, too, but I'll just direct my questions to the CRA for my portion.

I want to start out with the rent subsidy. Initially, that was administered by CMHC, and according to nearly everyone's appraisal, it failed there. It was eventually transferred over to the CRA.

I'm wondering if you could comment as to why the CRA was not initially given that portfolio, as it seems as though they're doing a much better job than CMHC did.

**Mr. Frank Vermaeten:** I really can't comment on that. We weren't involved in that decision, in terms of who would undertake what program.

We were approached to do the wage subsidy. That was a large undertaking with respect to delivering something for businesses.

I'm speculating here entirely, but it's quite possible that had they approached us on—

**Mr. Philip Lawrence:** I'm sorry, but I will cut you off. I apologize. I'm not a rude person. I just want to get everything in that I can.

**Mr. Frank Vermaeten:** It's not a problem.

**Mr. Philip Lawrence:** I believe it was around November when you started administering the rent subsidy. Did anything change materially between November and March, other than perhaps, as you mentioned, your workflow from the other pandemic relief benefits?

**Mr. Frank Vermaeten:** There's nothing I can think of, in the context of the question you're asking.

**Mr. Philip Lawrence:** Then it would be fair to assume that you would have been quite capable of administering that program.

**Mr. Frank Vermaeten:** As I said, it would have been a challenge to launch both the wage subsidy and the rent subsidy at the same time. It was a huge undertaking to do the wage subsidy. In fact, the rent subsidy was very much based on the architecture of the wage subsidy, so it was replicating something rather than starting from scratch.

**Mr. Philip Lawrence:** It's fair to say that it might have been challenging, but it might have been possible. Given the colossal failure that the rent subsidy was for CMHC, perhaps, in retrospect, that would have been a better decision.

• (1545)

**Mr. Frank Vermaeten:** I can't speculate on that.

**Mr. Philip Lawrence:** Thank you very much. You've said everything I need.

I would like to jump now to the administering of the CERB claims. Could you give us an idea about what the rate of decline is for the CERB and/or the CRB? How many applications are declined for substantive or technical...if you have that degree of information?

**Mr. Frank Vermaeten:** I'd like to get clarification on the question. Would you like to know how the volumes have declined over time?

**Mr. Philip Lawrence:** No, I'm sorry. I mean the rate of decline, if I apply and my application is not accepted.

**Mr. Frank Vermaeten:** It's difficult to say. It changes.

When we launched the CERB, we declined a very small number of the applications. When the program was up and running, there weren't as many upfront validations and we didn't have 2019 income at that time. Then we moved to the CRB and the new measures. We put in place more upfront validation. We're able to look at 2019 income. We're able to look at a broader range of things.

I don't have a precise number, but my guess would be a little bit under 5%. I can certainly get that for you.

**Mr. Philip Lawrence:** Perfect. I was just going to ask that. It would be great if you could get that to the committee. Thank you.

One of the reasons, I believe, that CRBs were declined—it was an issue for a lot of Canadians from coast to coast to coast—was that people were applying for EI, but were not eligible. Then they were attempting to apply for the CRB, but they were declined due to a technical error because the software between the EI system and the CRA system would not work. Has that been resolved now?

**Mr. Frank Vermaeten:** I would say that is a rare occurrence relative to the total number of people applying.

Generally speaking, if you've applied for EI and you're still EI eligible, the legislation, in fact, says you're not eligible for the CRB. You need to first go to EI. In the vast majority of cases, the system works exactly as it should.

There are rare situations, for example, when somebody is—

**Mr. Philip Lawrence:** With respect—and I don't mean to be rude but I have limited time—I have had literally hundreds of people. That might not seem a huge number, but to the family I delivered food to, that was a big deal.

Is that issue resolved?

**Mr. Frank Vermaeten:** We set up a new system. When individuals in those rare situations run into that problem, it can be resolved. Is it 100% resolved? No, people will need to call when they're in that rare situation. As you said it's hundreds—

**Mr. Philip Lawrence:** I'm sorry. I want to grab this next question.

**Mr. Frank Vermaeten:** Absolutely.

**Mr. Philip Lawrence:** I understand that once you've been denied.... Some of them are legitimate. I've talked to some folks who have been denied.

We're putting people through the notice of objection system, which is for your taxes and which can take up to six months or a year. These are people who are struck down by the pandemic, having a horrible time, perhaps the worst time of their lives, and now they may have a rightful claim, but they won't get their day in court for literally six months, if not years. Is that true?

**Mr. Frank Vermaeten:** I have to look into that. Generally that is not the procedure. If individuals are blocked for whatever reason, for example, we don't have any income on their files, or we have income and it's too low, or they don't meet the age, they are entitled to call us. If they can put forth a reasonable case, we do that right over the phone and there's no need to go to an objection.

**The Chair:** Thank you, Mr. Lawrence.

Thank you, Mr. Vermaeten.

**Mr. Han Dong (Don Valley North, Lib.):** I have a point of order, Chair. I noticed that the witness didn't have enough time to answer the question to give the committee a full explanation. Would it be possible for the witness to submit a written response to some of the questions that he felt he didn't have enough time to respond to?

**The Chair:** It's always possible for a witness to augment or clarify their answers in writing after the fact. That won't be a problem.

Generally, Mr. Dong, the length of the answer is to match the length of the question. You're right that Mr. Lawrence did interrupt the witness a couple of times, but he did allow him as much time as he took to ask the question. I didn't see him as being entirely unfair, but the answer to your question is yes, absolutely.

With that, Mr. Dong, you have the floor for six minutes.

• (1550)

**Mr. Han Dong:** Thank you, Chair.

I want to thank all the witnesses for taking time to come to the committee to answer some of these important questions. I'm going to stick with StatsCan because it's very interesting to me. As we all know, members of Parliament sometimes reference StatsCan findings in our debates and in question period, especially in comparisons of the numbers between Canada and the United States and there are good reasons for that. Our economies are very similar, and they're very much linked, as well.

Would you be able to let us know if there's a variance in the methodology between StatsCan and the Bureau of Labor Statistics in the United States when calculating each country's unemployment rate?

**Ms. Josée Bégin:** Mr. Chair, I can answer that question.

[*Translation*]

Canada and the U.S. both adhere to the United Nations International Labour Organization's guidance on defining and measuring labour market activity. The guidance does, however, include some flexibility so that each country can interpret and adapt it to its own labour market.

Accordingly, it's not always possible to do a country-to-country comparison of employment and other main labour market indicators. With respect to Canada and the U.S., specifically, a technical paper is available on our website to explain the conceptual differences between the two countries' surveys, the LFS and the Current Population Survey.

[*English*]

**Mr. Han Dong:** That's great.

[*Translation*]

**Ms. Josée Bégin:** I'll just finish, if I may.

[*English*]

Every month when we release our information, if the information from the United States has already been released, we do this adjustment to our own data to allow for the comparison with the United States.

**Mr. Han Dong:** That's very interesting.

In your opinion, is it accurate to make a one-to-one comparison between the two nations' employment rates, or would it be, to some degree, misleading to make the comparison of these absolute numbers?

**Ms. Josée Bégin:** The answer to your question is really based on the fact that there are adjustments that need to be made in order to make sure that the concept.... We can think of the population that we're measuring in terms of the age groups that we're trying to measure, as well as the reference period between the surveys. Once we've made those adjustments, then it is okay for us to publish the information.

**Mr. Han Dong:** You have to make certain adjustments.

**Ms. Josée Bégin:** Yes.

**Mr. Han Dong:** Is there a better statistical calculation, like the labour force participation, that should be used when making comparisons among Canada, the United States and other OECD countries?

**Ms. Josée Bégin:** The unemployment rate is not the only indicator that we use in those comparisons. One of them, as you said, is labour force participation. We also refer to that in our communities, in our analysis.

**Mr. Han Dong:** I'm going to push the envelope a little bit more on this. Is it your expectation that the former minister of Employment and Social Development Canada would know that there is a difference between how Canada and the United States calculate their unemployment rates?

**Ms. Josée Bégin:** I wouldn't be able to speculate on that, Mr. Chair.

**Mr. Han Dong:** Okay.

I find the disaggregated data quite interesting. I know last year StatsCan announced that they will be increasingly relying on disaggregated data. Can you explain this process and what impacts it can have on our attempt to help the most vulnerable in our society, especially racialized populations?

I've heard a lot of input from those communities in my riding.

**Ms. Josée Bégin:** Thank you for the question.

• (1555)

[Translation]

It is clear that not all Canadians face the same challenges, which differ depending on whether they belong to a diversity group. The pandemic really shone a spotlight on those differences. Even though Statistics Canada has long been working to build an accurate picture of Canada's diversity through the census of population, the disaggregated data still present major gaps as far as certain fundamental economic indicators are concerned.

One of the challenges we run into is that the limited sample size of our surveys can hinder our ability to paint a clear picture, particularly when it comes to employment and labour market indicators for racialized groups.

At Statistics Canada, we are committed to working with private and not-for-profit groups and organizations, as well as different ethnocultural communities, to develop joint data collection and analysis initiatives. Those initiatives are the key to obtaining more representative statistics and enhancing our overall understanding. Equally important, however, is our intention to maintain our whole-of-government approach by continuing to work with our federal partners. That makes existing data available to us and allows for more effective integration of disaggregated data collection, while, of course, protecting Canadians' confidentiality and privacy.

**The Chair:** Thank you, Ms. Bégin.

[English]

Thank you, Mr. Dong.

**Mr. Han Dong:** I think my time's up. I just want to encourage you on this policy, because it's very important to break down the systemic racism. It's a very important part of it.

Thank you, Chair.

**The Chair:** Thank you, Mr. Dong.

[Translation]

Ms. Chabot, you may go ahead. You have six minutes.

**Ms. Louise Chabot (Thérèse-De Blainville, BQ):** Thank you, Mr. Chair.

Thank you to the witnesses for being here today and for taking part in our study on employment insurance reform.

My first question is for the Canada Revenue Agency officials.

I realize that you do not administer the EI program, as you pointed out, but I still have a question for you. The CRA was called upon to administer all of the temporary or emergency benefits that were introduced—you came up with their names, in fact. You will, in all likelihood—and you can confirm whether this is true—have to administer the three new measures that were recently extended by regulation. On top of that, tax season is almost here.

You said that the challenge you faced was delivering the benefits in a timely manner. As you know, there were problems. People had to wait seven or eight weeks for a decision on their Canada response benefit application. People had numerous problems involving the Quebec parental insurance plan and alignment with the new benefits.

Would you say those long wait times are behind us now?

[English]

**Mr. Frank Vermaeten:** Maybe I could make a couple of remarks there. Some of those questions are probably best for ESDC. As you pointed out, we are delivering the extension of the benefits with the CRB, the sickness benefit and the caregiver benefit. Those three benefits we're delivering. The extension of the EI program is being delivered by ESDC, so that's certainly happening at the same time.

You talked about some challenges. I believe you were referring to challenges with respect to ESDC and the delivery of some programs that take six to eight weeks. I'd say that, generally speaking, we're delivering our emergency benefit payments in three to five days—

[Translation]

**Ms. Louise Chabot:** It's eight weeks.

[English]

**Mr. Frank Vermaeten:** I'm sorry. I'm not sure what you're referring to.

Are you referring to a CRA delivery of benefits or are you referring to ESDC?

[Translation]

**Ms. Louise Chabot:** I'm talking about people having to wait seven or eight weeks, not seven or eight days. These were people who were out of work and had no money coming in, and they applied for the CRB, which your agency clearly administers. They waited seven or eight weeks. Are those wait times a thing of the past now that the measures have been extended?

Not only did I want to ask that question, but I also wanted to point out how unbearably stressful it was for people to wait that long.

• (1600)

[English]

**Mr. Frank Vermaeten:** I'm not aware of any of those types of waiting periods. In our system, the way it works is that, generally, if you apply and we deem you as qualified, we deliver that in three to five days. There are situations where individuals are deemed to not be qualified. They have to call, and they may have to provide some additional documentation. There can be delays in those cases.

Are those acceptable wait times, whether it's through CRA or whether it's ESDC? Absolutely not. As those things happen and evolve, we try to quickly reorganize ourselves and try to deal with those types of situations as quickly as possible. To the extent that there are delays, it's always a tiny share, but they're important files. We try to do what we can to speed that up as quickly as possible.

[Translation]

**Ms. Louise Chabot:** Ms. Bégin, thank you for your presentation.

I don't want to get into the statistical details, but I have a question about the unemployment rate.

Under the current EI system—not the revised measures—unemployment rates are variable in 62 socio-economic regions of the country. A single region can even have two different unemployment rates, which is the case on the upper north shore and lower north shore. This creates different eligibility criteria for EI claimants.

One way to relax the rules for accessing EI is to use the same minimum unemployment rate in all regions. We think that is part of the answer. Do you think that would have a positive impact on eligibility, especially given the latest statistics you cited for us?

**Ms. Josée Bégin:** Thank you for your question, Ms. Chabot.

Anything having to do with EI eligibility falls within Employment and Social Development Canada's purview, not Statistic Canada's, so I can't answer that.

**Ms. Louise Chabot:** I'll rephrase the question, then.

What challenges do you come up against when you try to determine the different unemployment rates in a single region? I mentioned the upper north shore and the lower north shore, but eastern Quebec has the same problem, as do other provinces. It creates other issues as well, since we are talking about reforming the EI system.

**The Chair:** Please keep your answer brief, if possible.

**Ms. Josée Bégin:** The LFS has a sample size of 54,000 households. We interview those people every month either by telephone or in person. The sample is representative of Canada's population, including on a regional basis. The biggest challenge we currently face has to do with survey response rates. We are following the public health rules, so interviewers aren't making in-person visits. Everything is being done by telephone or online.

**The Chair:** Thank you, Ms. Chabot and Ms. Bégin.

[English]

It's Ms. Gazan's turn, for six minutes.

Ms. Gazan, you have the floor.

**Ms. Leah Gazan (Winnipeg Centre, NDP):** Thank you so much, Mr. Chair.

My first questions are for either Annette Butikofer or Frank Vermaeten.

From the transition between the CERB to the new COVID-19 support benefit, what is the percentage of Canadians who were eligible for CERB who are no longer eligible for the new support benefits?

• (1605)

**Mr. Frank Vermaeten:** I'm happy to answer. I don't have a statistic on that. The eligibility rules did not change significantly, going from CERB to the CRB. Of course, there are the three benefits: the CRB, the sickness benefit and the caregiver benefit.

Those rules changed. It was a slightly different program, but generally speaking, there was not a big change in eligibility.

**Ms. Leah Gazan:** My understanding is that only 40% were eligible for the EI benefit. Is that correct?

**Mr. Frank Vermaeten:** I'm not sure what you're referring to by "the EI benefit".

**Ms. Leah Gazan:** If that could be sent to my office, I'd be interested in those percentages if that's possible.

During the pandemic, we see that the CERB acted as a de facto guaranteed income program. It is something that I, along with thousands of others—Basic Income Canada, Basic Income Manitoba and many others—have been fighting for, for long time, to ensure that all Canadians have a livable income.

With that in mind, are there any lessons that the CRA learned in terms of its potential future ability to deliver a guaranteed livable basic income program?

I ask that because it looks as though we're still going to be in the pandemic for a number of months, and we know that many people, in terms of EI, are running out of benefits. How are we going to keep Canadians supported?

**Mr. Frank Vermaeten:** That is a policy question. It's not really our job within the Canada Revenue Agency to comment on a policy such as the guaranteed annual income.

I will say that it's a challenge. If I think about administering the CERB and the CRB, one of the big challenges is to determine eligibility. In that case, it's to determine their level of income.

You have two types of workers: those who are perhaps EI eligible, who are working for an employer; and those who are self-employed. With respect to those who are employed, it's easier to know what kind of income they had. If we had a system that provided very regular updates of that employment income, that part of it would be less challenging, to measure the income. With the self-employed, it does become inherently more difficult to measure income and to measure effort.

Whether you see—

**Ms. Leah Gazan:** Then it becomes very bureaucratic, like the system the way it is.

**Mr. Frank Vermaeten:** It's just challenging when someone has a lower level of income. Why is it that they have a declared lower level of self-employed income? Is it because of a lower effort or is it because of changing market conditions, or what are those conditions? Isolating those effects becomes very challenging.

**Ms. Leah Gazan:** Thank you.

I have one last question. I've heard of many from the disability community who do not think the disability tax credit is a good policy instrument, because it privileges those who are able to work. Even for those folks, it provides a very marginal value.

If somebody has the disability tax credit, they can, for example, open an RDSP, which can be really beneficial, but again, it also privileges those who can afford to contribute to an RDSP.

Would you agree with that assessment, and in your opinion, what are some of the alternative policy options that would benefit the most marginalized individuals in the disability community?

**Mr. Frank Vermaeten:** I could say maybe a few words. Again, this is a policy area best directed to the Department of Finance or ESDC.

The DTC is aimed towards those who have a severe disability, so it isn't for everyone. It is considered a benefit that can provide a gateway to other benefits, such as the RDSP. I should note that the RDSP does have a bond and grant element to it to help those lower-income individuals.

I think the DTC is effective at identifying those with a severe disability and then provides a gateway. Of course, it's non-refundable. Therefore, the benefit itself is not necessarily skewed towards those who are working, but as far as the actual dollar value it provides is concerned, because it's non-refundable it's only going to provide a benefit for those individuals who are taxable.

• (1610)

**Ms. Leah Gazan:** I want to move to that very quickly because I know that many people in the disability community have been advocating for a disability tax credit to be refundable, which would result in a meaningful increase in income for many persons with disabilities who live far below the poverty line. Has this been considered?

Do you know if this has been discussed?

**Mr. Frank Vermaeten:** Certainly it's an issue that's been discussed for many years. It was part of the disability advisory committee report. That was mentioned in that report. With respect to the

policy itself that's certainly in the purview of the Department of Finance.

**The Chair:** Thank you, Mr. Vermaeten and Ms. Gazan.

Next we're going to go to Ms. Dancho for five minutes please.

**Ms. Raquel Dancho (Kildonan—St. Paul, CPC):** Thank you, Chair, and thank you to the witnesses for being here today.

My first few questions are for Mr. Vermaeten.

It was touched on a little bit in the previous panel by my colleague, but I want to talk to you about the CRB-EI issue. Just for folks who aren't aware, there seems to be a bit of an issue. You mentioned it's with only a few people, but for folks who aren't eligible for EI to actually get the CRB, there seems to be some sort of tech issue at CRA that allows them to roll into that program. I think you were addressing this in the last round, and said that there weren't that many people but it was happening.

Do you have a concrete idea of how many people are impacted by this sort of technical issue?

**Mr. Frank Vermaeten:** I can certainly get you a number. It's quite small. My guess would be it's more in the low thousands when one takes the multi-million number of people who are applying. I can certainly give you a simple example.

**Ms. Raquel Dancho:** That's all right. I have a couple of examples that have come to my attention, which is why I'm asking someone to see when the issue will be addressed. You have a timeline. Are you currently working on addressing this problem?

**Mr. Frank Vermaeten:** We absolutely are working on it. We created a task force and we created a special unit with ESDC to be able to deal with those questions, so if people are denied the CRB they can call ESDC and essentially unblock that piece of data that prevents them from being able to get the CRB.

**Ms. Raquel Dancho:** Is that call line available now?

**Mr. Frank Vermaeten:** It has started, yes.

**Ms. Raquel Dancho:** Do you have the number offhand?

**Mr. Frank Vermaeten:** I do not.

**Ms. Raquel Dancho:** All right. We'd have to contact ESDC to get that number then.

**Mr. Frank Vermaeten:** Yes.

**Ms. Raquel Dancho:** I'm pleased to hear it's not actually through CRA, because my next question was about the CRA call wait times, which I'm sure you heard about until you were blue in the face, but I did want to address them with you.

We're hearing from across the country that many people are having issues. In normal years in tax season, people wait a couple of hours sometimes on the phone and that's not necessarily abnormal, but it seems to be incredibly high even compared with a normal tax season. I'm hearing from folks and I know there are MPs across the country.... I'm sure everyone on this committee has probably had constituents complain about this issue, where someone is waiting three or four hours and then they get an operator saying, "Too busy, call back later," and hang up. Then they have to start again.

My concern is that these are folks who were promised support from the federal government. The Liberal government has announced these things, but the problem is that thousands of people can't even get through to access them through CRA, and there's a whole host of technical things, as we know, that can go wrong and be why people need to call CRA to get those benefits. It's easy to announce these things, yet they're getting roadblocked, some for weeks, trying to get through.

I know you're aware of this issue, so can you explain to the committee the measures you're taking to reduce these call wait times to more of a humane level?

**Mr. Frank Vermaeten:** Absolutely, and certainly it is of great concern to us. Just to give you context, the call demand is just unprecedented. In a typical week we might have received, at the same time last year, 350,000 calls and this year we're receiving over a million calls. The demand is just very large. We have ramped up our hiring. We're in the process of hiring over an additional 2,000 people. That gives us 1,500 more people than it did this time last year for the tax season. We have a couple of other processes in place that allow us to get those wait times down.

Let me also just say one tiny thing. It is absolutely true that there are some people who are waiting a very long time. The average wait time tends to be around 25 minutes, but of course it's the outliers. It's often when people need to speak to what we call a tier-two or tier-three agent, a specialist, that they have to wait this long. It's very unfortunate.

• (1615)

**Ms. Raquel Dancho:** I'm just going to ask a closing question. You mentioned that you're hiring 2,000 people. When did CRA start hiring these people?

**Mr. Frank Vermaeten:** That hiring would have started probably in November, I would say. It's hiring and training.

**Ms. Raquel Dancho:** The only reason I ask and that I find it a bit concerning that it didn't start until November—and this isn't on you—is that we've been in this pandemic for almost a year now. I'm surprised it took until November to start hiring these 2,000. I would have thought that last March, when all of this was happening and you guys were administering CERB, you would have hired droves of people in anticipation of this.

We'll have to address this in Parliament, but I'm a bit disappointed to hear that hiring did not start until late fall—only a few months ago. That might explain why we're still experiencing considerable call volume and times.

**Mr. Frank Vermaeten:** Here's the interesting thing: In fact, call wait times were very low in August, September and October, so

things were manageable. There was always a plan to hire more people. We always hire more people in tax season, and there was a plan to hire more people than ever.

What we saw as the second wave came—I think it's the second wave, or perhaps the third wave, depending on how you count it—was that call volumes and call-handle time went up really unexpectedly.

I'll point you to the call-handle time. It went up by 40%. A lot had to do with identity theft, with the increase in sophistication of cyber-attacks. That's really what has led to an unexpected demand both in the number of calls and in the duration of those calls.

**The Chair:** Thank you, Mr. Vermaeten, and thank you, Ms. Dancho.

Next is Mr. Vaughan, please, for five minutes.

**Mr. Adam Vaughan (Spadina—Fort York, Lib.):** Thank you very much.

I have a couple of very quick questions, and if you don't have quick answers, a written submission is welcome.

What percentage of people pay into EI but are ineligible to receive it?

This is for Statistics Canada.

**Ms. Josée Bégin:** Vincent, would you like to start addressing the question?

**Mr. Vincent Dale (Director, Centre for Labour Market Information, Statistics Canada):** I probably can't give you a very precise answer to your question. I can tell you that we have a survey every year called the employment insurance coverage survey, which looks at the question of what proportion of people have had a spell of unemployment—

**Mr. Adam Vaughan:** Could you get us that information?

**Mr. Vincent Dale:** I'd be happy to supply it.

**Mr. Adam Vaughan:** The flip side of that is this: What percentage can't pay because of their employment status and may need it but can't receive it because they're self-employed, in the gig economy or in a seasonal employment situation?

Second, do you know which province has the highest rate of ineligibility because of the way in which EI is designed?

**Mr. Vincent Dale:** Again, I don't have that information at hand, but we'd be happy to give you eligibility rates by province.

**Mr. Adam Vaughan:** Could you also give us all the provinces and territories, so that we know who has the lowest, and then correlate that listing with whether there's a high proportion of seasonal industries in those communities?

Do you split it between rural and urban? Is that a split that you give so that we can understand whether the gig economy has a different footprint in EI from that of the seasonal or more resource-based employment scenarios, which are driven by climate and season?

**Mr. Vincent Dale:** Everything is always subject to the size of our sample, but we can certainly do so as a custom tabulation to separate urban and rural.

**Mr. Adam Vaughan:** To pre-empt the chair's prerogative, if you could show that for P.E.I., where you have four zones and one very different zone, in order to understand how it can model into a smaller community in a very different way, that would be helpful as well.

In terms of the CRA, we heard previous testimony that the EI computer system runs on COBOL. Do you use COBOL at CRA as a computer language?

**Ms. Annette Butikofer (Assistant Commissioner and Chief Information Officer, Information Technology, Canada Revenue Agency):** Thank you for the question.

Yes, we use COBOL in some of our systems. We also use Java. We use a blend of technologies, based on the platform and the type of system we're developing.

**Mr. Adam Vaughan:** You use COBOL to interface with EI basically, though.

**Ms. Annette Butikofer:** To interface with EI...?

**Mr. Adam Vaughan:** It's a legacy program, and those programs that haven't kept pace with CRA's computer evolution are tied to the old one. Therefore, you have to use COBOL too.

**Ms. Annette Butikofer:** That's not necessarily so. There are various ways to interface with those types of systems. We can share files. They don't necessarily have to be processed in real time. Also, there's a possibility to create architectures that allow you to share information across different systems that are using different technologies. Thus, you're not limited to what another system may be using.

• (1620)

**Mr. Adam Vaughan:** It would be fair, though, to say that CRA's computer system, especially as you move to e-filing, has been upgraded substantially in the last period of time, whereas other government systems have lagged behind, and that's also putting a bit of a drag on your systems.

**Ms. Annette Butikofer:** As with all organizations, investments are always being made to ensure that our systems remain modern and can support the functionality of our programs. On an annual basis, we're assessing those systems based on obsolescence of technology and functionality. We determine how investments are made from that, moving forward.

**Mr. Adam Vaughan:** Thanks.

In terms of a general question for the CRA, we know this year, with the Canada child benefit, our frustrations in trying to reach as many families as possible with it. What percentage of Canadians don't file taxes who could file taxes?

**Mr. Frank Vermaeten:** A large majority of Canadians do file, and—

**Mr. Adam Vaughan:** A percentage does not. What is that percentage?

**Mr. Frank Vermaeten:** You'd want to look at the percentage who would file who potentially would be eligible for CCB. I'll have to get the number, but I think over 95% who would file are eligible for the CCB—

**Mr. Adam Vaughan:** Is it safe to say that 5% are in precarious employment or low-income employment or have no income at all? For the majority caught there, it's not tax evasion. It's simply, "I didn't earn and I didn't think I needed to file", or "I don't want to file."

**Mr. Frank Vermaeten:** I think it's a combination of factors. For example, sometimes on first nation reserves there can be lower filing rates. Sometimes in remote areas there can be lower filing rates. There's a host of explanations, not a single one.

**Mr. Adam Vaughan:** If we put a basic income program on the tax system and people don't file taxes, that's the very group who will be just beyond the reach of basic income.

**Mr. Frank Vermaeten:** Yes, certainly. If you drive something off the tax system, filing will obviously be necessary.

**The Chair:** Thank you, Mr. Vaughan and Mr. Vermaeten.

[Translation]

Ms. Chabot, we now go to you for two and a half minutes.

**Ms. Louise Chabot:** Thank you, Mr. Chair.

Ms. Bégin, in your opening statement, you said, and I quote:

The uneven impact of COVID-19 across industries, combined with relaxation of the rules for accessing the EI program, has also driven the proportion of women who receive regular benefits upward....

Can you provide us with figures to compare those who now have access to EI benefits thanks to the relaxed rules and those who receive benefits under the regular rules?

**Ms. Josée Bégin:** Statistics Canada can get back to the committee with additional information after the meeting.

**Ms. Louise Chabot:** Thank you.

I won't ask your opinion on this, but everyone knows that employment is seasonal in Quebec's eastern regions, especially. Those who work in tourism, the fishery and other such sectors have been very hard hit. Workers have to deal with a so-called black hole or seasonal gap in benefits.

Have the relaxed EI rules helped the situation?

**Ms. Josée Bégin:** I don't have that information in hand, but I could certainly provide a custom tabulation of the data by industry or population group.

I can't say exactly what we will be able to put together since it will depend on the sample size for the data we have. Nevertheless, after the meeting, we'll be able to figure out the type of information we can get back to you with.

**Ms. Louise Chabot:** A comparison of the eligibility rate under the relaxed rules versus the regular rules would be particularly helpful to our study.

• (1625)

**The Chair:** Thank you, Ms. Chabot.

[English]

Ms. Gazan, you have two and a half minutes, please.

**Ms. Leah Gazan:** Thank you so much, Chair.

My question is for Josée Bégin.

I hope I pronounced your last name properly. I feel like I'm teaching a university class again and slaughtering names at the beginning of the course. I apologize for that.

You mentioned previously that the portion of women who receive regular benefits has gone upward from 37% in February to 48% in December. Do you expect this number to continue to rise? What, to your knowledge, will be the contributing factors? Which measures would be expected in order for this number to decrease?

**Ms. Josée Bégin:** Thank you for the question. I'm going to turn to my colleague Vincent to let him answer your question.

**Mr. Vincent Dale:** Your question is asking me to speculate about the future, which is always treacherous. I can speak to what's been driving the balance between male and female in terms of the number of beneficiaries.

One of the big factors is the differential impact of COVID-19 by industry. If we think of industries like retail trade, accommodation and food services, a higher proportion of employment in those industries tends to be amongst women. One thing we would want to look for, as the labour market continues to evolve and recover, is the degree to which those specific industries either recover or continue to be affected by public health restrictions.

To summarize, a big factor will be the performance of specific industries where female employment tends to be higher.

**Ms. Leah Gazan:** Just very quickly, what is the current estimate of employed individuals who are not eligible for employment insurance, and what is the demographic makeup of women, men, 2SLGBTQQIA and BIPOC?

**Mr. Vincent Dale:** We have that through the employment insurance coverage survey, and I could provide you the most recently

available statistics on that. We can send that out to the committee after the meeting today.

Unfortunately, I don't have at hand the very up-to-date numbers on that.

**The Chair:** Thank you, Ms. Gazan.

Colleagues, we're going to leave it there so that we get a full hour with the next panel as well.

I'd like to thank the witnesses for being with us here today. Thank you for your service, especially at such a difficult time when the public service is very much put in the limelight.

We also appreciate the various undertakings that you've given to provide further information in writing to the committee. At the risk of being bold, the written information that you provide will help inform us in the examination of further witnesses. We're happy to receive it piecemeal if you can provide some of it promptly and the rest takes a little more time. As soon as you can get it to us, that increases the value that it will have and its impact on the work of the committee.

Thanks again so much for being with us, and we'll bid you adieu now.

We're going to suspend for three minutes while we bring in the next panel and test their mikes.

Thanks again, everyone.

• (1625)

(Pause)

• (1630)

**The Chair:** I recall the meeting to order.

We are meeting on our study of the review of the employment insurance program.

I would like to make just a few comments for the benefit of the witnesses.

Before speaking, you need to click on your microphone icon to activate your mike. Interpretation in this video conference will be like a regular committee meeting. You have the choice on the bottom of your screen of floor, English or French. When you are speaking, please speak slowly and clearly, and when you're not speaking, please put your mike on mute.

I'd now like to welcome our witnesses to continue our discussion. You will each have five minutes for your opening remarks, and that will be followed by rounds of questions.

We have with us today Miles Corak, professor of economics, graduate center, City University of New York; and from the C.D. Howe Institute, Parisa Mahboubi, senior policy analyst. We're going to start with Mr. Corak, please, for five minutes.

Welcome to the committee. You have the floor.

[Translation]

**Dr. Miles Corak (Professor of Economics, Graduate Center, City University of New York, As an Individual):** Good afternoon.

I'm especially glad to have this opportunity to discuss an issue of growing importance.

[English]

Employment Insurance has been found wanting. Many Canadians have experienced that for decades, and now is well beyond the time to do something about it.

The government can proceed immediately with a series of important changes that are well within its administrative capacity, but it also must proceed with an eye to more fundamental changes in the near term that may require more consultation.

I'll outline six proposals, three are immediate and another three are near-term possibilities for you to consider.

Let me tell you something that I don't think Canadians need more of. They don't need more platitudes about getting a better education, or about getting more training. The EI program already transfers about \$3 billion to the provinces for programs of this sort. Some are effective and some less so, but the government doesn't need to spend more money on training through EI and putting more responsibility on individuals to adjust to the storms of the turbulent labour market.

My point is that Canadians need better and more complete income insurance. My suggestions are directed to this need.

I have three policies for the short term that I believe the government can immediately implement in the next budget.

The first considers qualifying for benefits with the last ROE. I suggest this committee and the government consider the reason for separation from only the last record of employment in a series used to support a claim. The administration of the program should ignore the reasons in previous ROEs and allow qualification if shortage of work was the reason for separation in the most recent ROE.

Currently many workers in a precarious situation trying to piece together jobs and incomes find themselves falling into an administrative rabbit hole because past ROEs have been incorrectly completed by employers or separations are worker initiated. Focusing on the reason for separation in the last ROE will simplify a needlessly complicated process.

The second suggestion to you is to offer a close-to-uniform entrance requirement. There are 62 EI regions with a number of hours of work required to qualify for benefits determined by region-specific unemployment rates, unemployment rates that fall into nine bands ranging from less than 6% to over 13%. This is why the black hole exists in some regions.

We tie narrowly defined regional unemployment rates so finely to EI eligibility because we treat the program as a regionally based program of income support, with some work conditions attached. This amounts to a type of basic income for many people living in regions east of the Ottawa River. Laudable as this goal is, it has distorted the insurance function of employment insurance, it has excluded many Canadians from coverage and it has slowed the response to big labour market shocks.

It means a 0.1% change in the unemployment rate can change eligibility for the program. This level of precision amounts to letting

statistical fog influence eligibility. It also means that to reduce the statistical fog, Statistics Canada relies on an average of regional unemployment rates in the past three months. This further corrupts the ability of the program to respond quickly to sudden changes in the job market. Eligibility rules are hard-wired to be backward looking.

There have been long-standing calls for a uniform entrance requirement, and currently that's the situation we're in. A reasonable alternative is to reduce the current nine bands to just three, say less than 6%, 6% to 10%, and greater than 10%.

The third immediate policy change that the government can introduce is to increase the benefit rate and the maximum insurable earnings. The benefit rate is currently 55%, meaning that an EI claimant receives 55¢ for every dollar of insurable earnings. Historically, this was 66 2/3%, and was as high as 80% for certain categories of claimants. Successive reforms cut the benefit rate, and these cuts were often done in the name of deficit fighting and work incentives. These past priorities don't serve our present and future well. It is both feasible and timely to raise the benefit rate and offer workers better insurance by covering more of their past earnings.

Let me jump to three other policies that refer to things the government can do in the near term that will probably require more consultation.

The first is to enhance coverage and step toward a basic income by integrating the Canada workers benefit with the EI program.

• (1635)

The fact that only 40% of the unemployed qualify for employment insurance in the best of times and the perception that the future of work will involve more contingency and more precarity in work arrangements has led many to question the eligibility rules of EI and its limited capacity to cover the self-employed. It has also led them to call for a basic income of some sort.

Not all of the self-employed should be covered by EI and dividend income surely should not. Further, the gig economy is not, nor will it be, a terrible reality for many, but both self-employment and employment as an independent worker will increasingly become a last ditch or supplemental means of support for many workers in precarious situations.

There is certainly a role for changes in regulatory policies and clarifications of the class of workers, but income support and income insurance policies can respond by focusing more on insuring incomes, rather than jobs or particular classes of jobs.

The Canada workers benefit remains a relatively modest program. Individuals living on their own must have at least \$3,000 in earned income to qualify for maximum benefit of about \$1,400. The jobs used to earn this income, including self-employment, do not necessarily lead to qualifying hours under EI. I suggest that any income used to support the receipt of the Canada workers benefit be converted to EI-eligible hours without regard to the nature of the job used to obtain that income. This will bring the self-employed who we might legitimately worry about into EI coverage, as well as others in contingent work.

If this committee were to consider recommending a considerable enhancement in the generosity of the Canada workers benefit with, say, an unconditional payment of \$12,000 to \$15,000—equivalent to the deep income poverty line—and a maximum benefit that lifts workers to the official poverty line, then it would have taken two considerable steps forward.

It will offer a way of significantly increasing the coverage of employment insurance for workers who need the insurance. It will also take a significant step toward establishing a basic income for single workers and those without children who need the support, much in the way that the Canada child benefit and the OAS-GIS offer a basic income to families with children and older Canadians.

**The Chair:** Mr. Corak, could I get you to wrap up? We're well past time.

Thanks.

**Dr. Miles Corak:** I will do that. Thank you.

This is what I mean by integrating the Canada workers benefit with EI.

I have two other recommendations. I'll just to list them, Mr. Chair.

The first is to offer wage insurance to long-seniority workers who are permanently laid off. This was in Minister Qualtrough's mandate letter. It is a form of wage insurance.

The final recommendation that I put to you is to offer special benefits through individual accounts with maternity and parental benefits in a complementary family insurance program under the Employment Insurance Act.

Thank you for your patience, Mr. Chair.

● (1640)

**The Chair:** Thank you, Mr. Corak. I have no doubt that you'll get a chance to amplify those points through the questions that will be posed by the committee.

Next is Ms. Mahboubi, please, for five minutes.

**Dr. Parisa Mahboubi (Senior Policy Analyst, C.D. Howe Institute):** Thank you, Mr. Chairman, and honourable committee members. I'm very pleased to have the opportunity to speak to you today.

The pandemic has exposed existing gaps in our employment insurance program and the need for potential EI reform to build a sustainable income support system. Today, I'd like to highlight gaps re-

lated to eligibility requirements and provide recommendations to enhance access to benefits.

Evidence shows that the pre-pandemic access conditions do not provide a broad coverage to support all Canadians who need financial assistance. For example, part-time workers, new entrants to the labour market and workers in low unemployment regions are less likely to meet minimum required insurable hours to qualify for EI.

Labour market statistics show that the crisis has affected hourly paid, low-wage workers the most. These statistics highlight the importance of recent temporary changes to EI requirements to expand eligibility and to fill coverage gaps in employment insurance by reducing the insured hours required and making enhanced requirements more similar across regions.

Several studies have previously suggested a reform to harmonize EI eligibility. One reason is that this change would provide better support for part-time workers since workers in regions with a low unemployment rate need to accumulate more hours, making it harder for part-timers to qualify.

The recent data on regular employment insurance and unemployment shows that the beneficiary to unemployment ratio, which can be seen as a measure of EI coverage, has increased by about 36 percentage points over a 12-month period to 75% in December 2020. This is a significant increase and represents high EI coverage given that a large number of unemployed Canadians, such as gig workers, do not contribute to EI.

Since the previous recession in 2008-09, the so-called gig economy and platform work have been growing, mainly due to rapid economic changes related to technological progress, globalization and demographic changes. The growth of gig and non-standard work can have an important role in a post-COVID-19 economic recovery, but there are concerns about the lack of financial security and predictability, paid sick leave and other benefits.

Previous C.D. Howe Institute research highlights the idea that Canada should focus on policies that provide proper supports for workers in non-traditional jobs—for example, through an expanded employment insurance system—while maintaining a dynamic labour market. Currently, the Canada recovery benefit attempts to address the income support challenges of these workers, but the program is temporary, while the concerns about income-related stability and uncertainty are not.

While an EI system that covers gig workers and the self-employed may be desirable, it is not clear how to build that system. For example, there are workers who have experienced substantial earnings losses without job loss, and self-employed workers whose earnings can be negative. Besides, a challenge is to define the time period in which earning losses and benefits are evaluated for eligibility of self-employed workers.

EI programs that insure various forms of unemployment need to insure earnings in a more flexible way, but this will reshape the labour market, distorting decisions of businesses, employees and the self-employed in a way that may or may not be desirable.

• (1645)

In conclusion, for a broader and further-reaching eligibility increase, the government needs to consider a program that offers a lower yet geographically more uniform hours-based requirement. However, more research and better data are needed to build an EI system for the 21st century that includes all forms of employment.

Thank you for your attention. I look forward to your questions.

**The Chair:** Thank you very much, Ms. Mahboubi.

We will begin now with questions. We'll start with Ms. Dancho from the Conservatives for six minutes.

You have the floor, Ms. Dancho.

**Ms. Raquel Dancho:** Thank you, Mr. Chair.

Thank you to the witnesses for being with us today. I found your opening remarks very interesting.

I have a few questions for you, Mr. Corak. I reviewed your letter to Minister Qualtrough from October 19, 2020, and I found your idea about the EI special benefits account very interesting. You touched on it a little bit in your opening remarks. I have a few questions and I am hoping you can expand on it.

My understanding from your note is that it would be similar to how individual EI premiums would be allocated to their own account, much in the same way as the Canadian pension plan, really financed on their work history. You mentioned that everyone would be free to use their account to support a period of time away from work—whenever, for whatever reason and for whatever length—subject to the balance in their account. I'm wondering how you feel this would work in another pandemic, if you feel that this would be helpful.

My point is that one of the problems with the EI account now is the people who didn't work enough to pay into it. Would we see a similar problem with your proposal, or am I missing something?

**Dr. Miles Corak:** First of all, you're correct that everything is conditional on eligibility for the program. Given that we've worked on that, then families face two types of risks. They face risks associated with their jobs and they face all sorts of family-associated risks, be it sickness, caregiving and so on. My view is that all of the contributions of employers should fall into supporting regular benefits, and all of the contributions that workers make should go into their own accounts.

I feel this is important, because it gives people agency. Right now these accounts have layer upon layer of unanticipated needs put on them by the government, each with a whole set of regulations, making it very complicated. It's even to the point where, in the most turbulent time of a person's life, when someone close to them is dying, the government asks them to provide a doctor's note to access benefits. If you just gave them an account, it would make things a lot simpler.

**Ms. Raquel Dancho:** I think you put it really well when you said this:

Individual accounts for family events that are truly unforeseeable would have the dual purpose of recognizing that individual citizens know their own needs and circumstances better than politicians—

I really appreciated that one, because I would very much agree.

—while also promoting incentive compatible behaviour.

I wasn't quite sure what you meant by that. Could you expand on it?

**Dr. Miles Corak:** What I'm trying to say is that we shouldn't get into assessing the reasons for the use of these accounts. Let people do whatever they want. However, does that mean I don't get to quit whenever I want and go skiing in Banff? Not if I don't have anything in my account, and not if I haven't worked for it.

That's what I meant by incentive compatibility.

**Ms. Raquel Dancho:** I appreciate that.

You also mentioned earlier in your note that, "This reform of EI would start with a careful assessment of what is and what is not a 'demographic risk.'" I wasn't sure what that meant.

**Dr. Miles Corak:** Just to be clear, maternity and parental benefits are still a part of special benefits. I'm not sure that is an insurable risk in the same sense, and I'm not sure that we can handle that with special individual accounts. It would take time to build up these accounts, particularly early in your work history, probably when you are in the middle of family formation. That's why I suggest that maternal and parental benefits be hived out of this altogether and treated as a special program in the EI Act.

**Ms. Raquel Dancho:** I thought that was a very interesting idea as well. If I'm understanding you correctly, if someone falls ill or has to care for someone or falls into unemployment or is laid off or whatever, it's very different from them having a baby or their wife or partner having a baby. Is that sort of what you're saying, that we should not be blocking those together in this idea that you have?

• (1650)

**Dr. Miles Corak:** That's correct.

**Ms. Raquel Dancho:** Okay.

Do you see any general disadvantages or advantages of this? You've outlined a number of them, but I'm just wondering in practical terms how you would see this rolling out. Let's say we have another pandemic a year from now. How would you see this roll out if, in a perfect world, your idea was implemented?

**Dr. Miles Corak:** I think this would give people a great deal of flexibility. The future is unknown. We've learned that, both at the societal level and the individual level. It would allow people to access their account when they need it for what they need.

The problem is that these accounts need to also be funded at some base level for everybody. I suggest that, in that case, just as we have in our pension system a floor below which we don't let the elderly fall with the OAS and GIS, there should be a flat government contribution to these accounts that is funded through the consolidated revenue fund. Then people build up these accounts with their own earnings, just as they build up their CPP benefits through their earnings. Then, finally, if they have any savings, they can self-insure.

**Ms. Raquel Dancho:** Your idea has a lot of personal autonomy and agency, as you mentioned. It's an intriguing idea and I appreciate your elaborating a little further on it. I certainly appreciate the thought that went into your note.

We have about 30 seconds left. Is there anything else you would like to say about this idea?

**Dr. Miles Corak:** It would simplify things in terms of the debate we're going through now, for example, with sickness benefits.

The other thing is that, quite rightly, MPs bring issues to the EI system as they become aware and as we get better publicity. Now we've layered so many different types of programs that require so many different regulations and information. These accounts would simplify that, and I think it would be a positive way of understanding agency in the context of demographic risks.

**Ms. Raquel Dancho:** There would be less red tape.

Thank you, Mr. Corak. I appreciate your remarks.

**The Chair:** Thank you, Ms. Dancho.

Next we have Mr. Long, please, for six minutes.

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Thank you, Mr. Chair.

Good afternoon, colleagues.

Ms. Mahboubi and Mr. Corak, thank you for your presentations. They were very interesting.

Ms. Mahboubi, I want to talk to you first, with respect to CERB. We all know that CERB was created to give income in the quickest way possible to those who lost employment during the pandemic. I think we can all look back really remarkably with a sense of pride at how quickly it did get out to so many people.

As CERB ended, obviously there was a transition to the simplified EI program for those who were eligible, and then obviously, the CRB.

In your opinion, what would have been the consequence of continuing the CERB and not relaunching a simplified and more generous EI program?

**Dr. Parisa Mahboubi:** Thank you for the opportunity to speak about that topic.

The C.D. Howe Institute published, through commentaries and intelligence memos, and talked about why it was really important to have that transition, or if we wanted to extend CERB, we needed to reform that program, because when CERB was created and introduced, the purpose was to keep people inside their houses. The purpose was for people to stop working, stop doing other things and stay at home to keep people safe.

However, as the economy and businesses started to reopen, there was a problem with CERB. It didn't create an incentive to look for employment, because as I mentioned, the majority of those individuals who lost their jobs and had seen a reduction in hours were mostly low-income individuals. Therefore, CERB was a program that was quite desirable for these individuals.

In receiving CERB without being required to look for employment, of course, it's going to create some challenges for businesses to find the right individuals to work for them. There was no requirement to look for employment.

If you wanted to stick to CERB, it had to be reformed. It needed to take into consideration several elements of the EI program. Of course, moving to the EI program was the better option when the government was ready to shift that big portion of individuals into the program.

• (1655)

**Mr. Wayne Long:** Thank you very much for that.

Mr. Corak, thank you for your presentation. I'm a former small business owner and was self-employed. I know you've talked about gig work and things, but are you aware of some of the best practices internationally for insuring the self-employed?

**Dr. Miles Corak:** Mr. Long, I'm not as well versed as I should be on that. There are officials at ESDC who can really speak to some of the innovations in the Netherlands and other countries in Europe, but I'd be a bit out of my scope.

My own feeling is that we can get into a great deal of difficulty trying to classify workers. The workers we care about are people who are self-employed and are using self-employment as a last-ditch attempt to piece together income, not so much the risk-taking entrepreneur. This is what I sort of have in mind when I think about those things.

**The Chair:** You have two minutes left, Mr. Long.

**Mr. Wayne Long:** I'll yield the rest of my time to MP Turnbull.

**Mr. Ryan Turnbull (Whitby, Lib.):** Thanks, Mr. Long.

Thanks to both the witnesses.

Mr. Corak, maybe I'll start with you. I think you've said that a 21st-century employment insurance system should respond to big shocks in real time, and I know that you've said that EI eligibility rules respond with a significant lag when there are sharp changes in the unemployment rate. What do you propose in terms of changes to the EI system to make it more responsive in this manner?

**Dr. Miles Corak:** Thank you.

That's absolutely correct. As I tried to outline in my opening remarks, because we have so many regions we are stretching the capacities of Statistics Canada's survey instrument to its very limit. Statistics Canada wants to give you the best signal possible, so it uses a three-month average of past unemployment rates. What we saw in this pandemic, what we saw in Alberta when the oil prices bottomed out, and also in Saskatchewan when potash prices collapsed, and what we saw in the great recession was an employment insurance system that was looking backwards. When the pandemic hit, it was still January's unemployment rate that was helping to determine eligibility for the program.

My suggestion is to make the bands that determine the eligibility rules much wider, or to cut back on the number of regions for a type of special benefit. Just use provincial employment rates or urban versus rural in a province. Statistics Canada can give us provincial employment rates on a monthly basis, and I think that would be hard-wiring a quicker, real-time facility into EI, rather than fossilizing it by being backwards-looking when important things happen quickly.

**The Chair:** Thank you, Mr. Corak and Mr. Turnbull.

[Translation]

Ms. Chabot, you may go ahead for six minutes.

**Ms. Louise Chabot:** Thank you to both of our witnesses. Their input is especially useful to help determine the way forward.

My question is for Mr. Corak, but I'm going to set the stage first.

We are here to examine precisely which aspects of the EI system should be reformed to ensure as many people as possible qualify for benefits and to restore the social safety net that once was. As you pointed out, the pandemic hit hard and the system wasn't able to respond.

I'm wondering whether I understood you correctly with respect to unemployment rates. Do you think eliminating 62 administrative regions and introducing a minimal unemployment rate for all regions would be a good idea?

That is more or less what the government did when it adjusted the EI system. Does that strike you as an effective solution?

**Dr. Miles Corak:** Thank you, Ms. Chabot.

If you don't mind, I'm going to answer in English.

• (1700)

[English]

The government has currently—and this seems like a temporary measure—suggested that everyone should have the same eligibility rule, and my colleague from the C.D. Howe has suggested the importance of that. I'm suggesting perhaps go partway, perhaps just

three ranges of unemployment rates. In that sense, Madam Chabot, that would render the regional map less significant for getting into the program, but not necessarily for the duration of benefits.

I'm not so much arguing that we should rewrite the regional map. I think that would be a political challenge. In some measure, you could render it less relevant for some aspects of the program. The regions and the regional employment rates could still determine the duration of benefits, but maybe they should play less of a role in determining entry into the program.

[Translation]

**Ms. Louise Chabot:** The regional map and the unemployment rates for the different regions determine the number of hours of insurable employment people need to qualify for EI benefits, anywhere between 420 and 700 hours.

Another important consideration right now is part-time work, which mainly concerns women and young people. Even though they pay their EI premiums, they have a harder time qualifying for benefits. Clearly, it takes longer to accumulate 420 hours when you're working just 15 hours a week, as opposed to 40 hours.

We believe the government needs to reduce those barriers so that more people can qualify for benefits.

I'd like to hear your thoughts on that.

**Dr. Miles Corak:** I completely agree.

[English]

What I'd like to add, though, is that we should think of the Canada workers benefit as an important complement to EI for people with part-time work for partial hours, who don't otherwise qualify. We would catch them through the Canada workers benefit and then convert that income—whatever they earned—into eligible hours. Right now there is no discussion or integration between these two programs. You can easily solve the problem of the 60% of the unemployed who are not eligible for EI by offering this complementary program.

At the same time, right now what you have is a situation in which the eligibility rules vary according to each percentage change in the unemployment rate. If a region moves from 8.9% to 9%, that changes eligibility rules. A one-tenth of a percentage point change is just statistical fog. It has really no meaning, so why should it play a role in determining eligibility?

I suggest using just three bands: if the unemployment rate is less than 6%, if it varies between 6% and 10%, and if it's greater than 10%. Leave it at that.

To cover off the many people who don't qualify, that's where you would use the Canada workers benefit—which now makes automatic quarterly payments to a whole host of people—and just convert their income into hours so that they can then graduate, if you will, to the EI system.

[Translation]

**Ms. Louise Chabot:** As you said, the current benefit rate is 55%. When the system was introduced, that number was much higher. Time and a slew of restrictive policies have whittled it down.

What would you say the ideal rate is?

[English]

**Dr. Miles Corak:** That's a good question.

Historically it was 66 2/3%. I'm not sure where to put the number on the increase, but it should increase.

The other thing you should note is that, if they're making above the maximum insurable earnings, it's even less than that.

What does the future of work involve? It probably involves people in the service sector—relatively highly paid people—facing the kinds of risks that manufacturing workers faced in the 1990s as globalization rolled through the heartland of Ontario and Quebec and decimated work.

If you can work wherever you want, how long is it going to take for your boss to wonder whether maybe anyone can do the work you do? There will be a whole series of contracting out that could happen, putting people higher up on the wage scale at risk. When they fall into unemployment, they will find that this system—which they paid into all their lives—is going to give them 25% or less of their earnings.

You're not preparing people for the future of work if you don't offer better insurance. Increasing the benefit rate and the maximum insurable earnings is a way to do it, though I have to admit I'm not in a position to put a number on that yet. You would want to balance that with the financial constraints the government faces.

• (1705)

**The Chair:** Thank you, Mr. Corak.

[Translation]

Thank you, Ms. Chabot.

[English]

Next is Ms. Gazan, please, for six minutes.

**Ms. Leah Gazan:** Thank you, Chair.

My question is for Mr. Corak.

In your presentation, you mentioned—and certainly the committee knows it's a real interest and passion of mine—a guaranteed livable basic income. We know that there is a breadth and depth of expertise that exists on the topic of basic income as a form of income insurance and as a partner to EI. Do you believe that the information—and this is one of the frustrations I've had—about basic income is being properly understood and acknowledged?

**Dr. Miles Corak:** I think there is naturally a good deal of confusion about this topic. I'm confused by it as well. The way I make sense of it is that there's “basic income: the why” and “basic income: the how”.

I think everyone's agreed on the “why.” There are different rationales. We want basic income to make the administration of benefits simpler. We want basic income to fight poverty. We want basic income to foster solidarity, community and family. Those are all laudable goals. I think most people agree on them. I think where the differences come from is confusion over “basic income: the how”.

When this debate began in Canada, basic income was seen as a universal payment to everybody, regardless of their station in life.

I think the basic income community has evolved tremendously and I don't think many hold that view. I am looking for something like a Canada child benefit. We have a basic income for families with children. It's called the Canada child benefit. They are looking for something like OAS or GIS. We have a basic income for the elderly. What we're missing is that important segment of our population who are in mid-life, mid-career, on their own, have had family challenges and have had work challenges. I encourage you to use the instruments available to you.

The Canada workers benefit is a nascent basic income. I would add to it an unconditional payment, just like the Canada child benefit, that would keep people above the deep poverty line, say \$12,000 to \$14,000 a year, depending upon region.

I would enhance the supplement for work to bring people up to the poverty line, and then I would taper off benefits as income grows further.

If the committee and the government used the instruments they have at hand, you would cover, through these different tiers, what we think of as a basic income, what economists put as a negative income tax.

**Ms. Leah Gazan:** It's obvious that the current EI system needs to be revised. We had people testify before committee last week.

However, we also need to recognize that the current definitions of work are outdated. It's certainly something that impacts my riding significantly. Therefore, many people fall through the cracks of the existing system. I often refer to people who are dealing, for example, with severe mental health and trauma who often end up on the streets living in destitute poverty.

We know that many populations living poor or living rough are overrepresented by women, racialized people, disabled people, indigenous people, millennials, zoomers, as well as older folks. Do you believe that another form of income insurance, as a partner to EI, would be helpful—for example, an income-tested guaranteed livable income?

You spoke a little bit about that. Can you expand on that and how a guaranteed livable basic income could work in partnership with EI?

**Dr. Miles Corak:** Thank you.

That's exactly what I'm suggesting. Thanks for the opportunity to expand on it.

That's what I see the Canada workers benefit being. This said, people face all kinds of challenges in their lives. Money is not everything. There is an important interface with the provinces that has to happen here. I see converting the Canada workers benefit, as I suggested, into an unconditional component that is independent of your work status, and then that is tiered to the amount of income you have.

Earlier, there were issues raised about whether people file their taxes. This would only capture people who are in the system. We still need advocates for many people. We still need the provinces and the municipalities to be engaged in an important way.

This is an important area on which I think the federal and provincial governments should interface. You don't have to worry about classifying someone as a gig worker or self employed. The point is that their income is just too low. We have a poverty reduction strategy. They fall through the cracks.

• (1710)

**Ms. Leah Gazan:** I certainly appreciate your insight on this.

One of the issues I currently have with EIA in Manitoba, for example, is that it's punitive and stigmatizing. Guaranteed income programs would just look at income. You wouldn't have to go through an interrogation process to have minimum human rights met. Am I understanding this correctly?

**Dr. Miles Corak:** I think one of the things we've learned over the course of the pandemic—and this is why people saw the CERB as being very successful—was the ease of application and the agency that people had. That has to be paired, of course, with accountability to the public purse. However, if we can simplify EI and if we can simplify income support, that will not only remove the administrative burden, but it will also offer people dignity and benefits in real time.

**Ms. Leah Gazan:** Thank you so much.

**The Chair:** Thank you, Mr. Corak. Thank you, Ms. Gazan.

Next, we have Ms. Falk for five minutes please.

**Mrs. Rosemarie Falk (Battlefords—Lloydminster, CPC):** Thank you, Chair.

I want to thank both of our witnesses for being here today. I know that both of you did a lot of work analyzing employment insurance well before the pandemic.

To start, I have a question for both of you. I'm just wondering what measures can or should be built into the EI program to ensure it provides meaningful support to an unemployed person, without creating a disincentive to work.

I wonder if Ms. Mahboubi would like to start.

**Dr. Parisa Mahboubi:** Thank you.

In terms of creating employment income that provides support to Canadians, I would say the first parameter that we need to consider is coverage—the proportion of Canadians who could have access to EI programs when they lose their jobs, or if we're going to have some sort of modernized EI program in the future, talking not only about employment loss but maybe income loss. As I said, this is a topic that is very complicated. We need lots of investigation data to be able to think about how we can reform the EI program and about how we consider income loss.

In general, in terms of benefits, I guess a focus on coverage is more important than the amount of the benefit, because we want those individuals who don't have any other option, who don't have any income, to have access to some sort of support, rather than nothing. After we make sure that individuals receive some sort of

support, we can have a better discussion about whether there is enough or not.

I believe the main parameters for reforming the EI program would be about the eligibility criteria, in terms of how it can support more Canadians, more individuals, who contributed to the program. This is something I believe is important.

In terms of, for example, regional variations, the reason that I believe we should eliminate that feature from the EI program is that, for example with remote working, we are facing changes in the nature of work. We are seeing a borderless labour market. If we are moving in that direction and we want to modernize our EI program, it means that we need to look at the way the labour market is changing and the nature of work is changing. As I said, remote working is an example. You can physically be in one location and work for an organization in a different region, a different province or even a different country. These are the questions we also need to take into consideration when we are going to reform the EI program.

• (1715)

**Mrs. Rosemarie Falk:** Thank you.

How about you, Mr. Corak? Do you have anything to add?

**Dr. Miles Corak:** Thank you for the question, Madam Falk.

The question of work incentives very much influenced the current shape of the EI system we have now. I have, perhaps, two concerns about that.

I think incentives matter when it comes to the impact on geographic mobility. As my colleague just mentioned, maybe in the future that's going to be less important.

The second is the intergenerational disincentives as, perhaps, knowledge of the program or use of the program is passed across generations in families. This is very much wrapped up with the incentives embodied in EI on the demand side of the labour market. We need to pay more attention to how firms interact with EI in order to understand the efficiency and disincentive consequences.

EI has long been a form of regional income distribution and cross-industry distribution, with the extractive and construction industries benefiting a lot more than other industries. I don't think we often recognize that, even within industries, there's always a set of firms that receives subsidies through the program. This may have an impact on the capacity of firms to grow and the efficiency of the economy in the long run. It's unfortunate that we don't pay more attention to the demand side of the labour market.

**Mrs. Rosemarie Falk:** Thank you.

**The Chair:** Thank you, Mrs. Falk.

Next we will go to Ms. Young, please, for five minutes.

**Ms. Kate Young (London West, Lib.):** Thank you very much to our witnesses here today. It's been very interesting.

I want to start by asking Ms. Mahboubi if she could talk about people with disabilities. How would any change in EI reform impact people with disabilities? What are her concerns about wanting a more holistic approach to working with and helping people with disabilities?

**Dr. Parisa Mahboubi:** Thank you.

When we look at the disability issues, definitely individuals with a disability face significant barriers to labour market participation and employment. Often, even if they are employed—although it really depends on the level or severity of their disability—in general, we see that they earn less and their labour force participation is less than others in terms of employment. They face higher unemployment rates.

When we talk about regional variation in terms of unemployment rates, the unemployment rate for different populations is also different. It would be similar in all regions, because all disabled people face barriers to employment. If we have one disabled person in Ontario—for example, in Toronto—and we have another one in a different region with high employment, they both face similar barriers to employment. It will be equally difficult for them to find employment. That's why, again, it's really good to mention that we need to also think about the barriers that different population groups are facing to find employment and how the EI program can support them if they lose their employment.

I have written about the role of social assistance and how it can help attach a disabled person to the labour market. For example, currently some of the social assistance programs we have don't provide great incentives for disabled people to look for employment and to tackle their barriers. Yes, of course, it's going to be difficult for some because the challenges they are facing are significant. It's not something like zero and one—if people can work or cannot. There is some sort of spectrum here. Some people are able to participate.

When we design an EI program, we need to think about those individuals—disabled people, women and women with young children. Different types of individuals may face different barriers to the labour market.

• (1720)

**Ms. Kate Young:** Thank you very much for that.

Mr. Corak, do you have some comments on how we should look at people with disabilities under the employment insurance program? Could what you're saying help them in any way?

**Dr. Miles Corak:** Madam Young, for the most part, I'll defer to Madam Mahboubi on this. I would just reiterate my suggestion that special benefits might be structured in a much more flexible way to give people agency and control. Sometimes disabilities come and go and we can't anticipate that, and maybe these special accounts will give people that kind of agency.

**Ms. Kate Young:** Mr. Corak, your work underpins the research of one of our colleagues, a parliamentary colleague, on the economic phenomenon of the Great Gatsby curve.

I hate to ask you a question that you probably only have a minute to answer, but could you summarize what the Great Gatsby curve is?

**Dr. Miles Corak:** Thank you for that.

The bottom line is that we should be worried about inequalities in our society, all sorts of inequalities, because ultimately they shape opportunities. Different types of inequalities shape opportunity in a different way.

The Great Gatsby curve is a relationship across countries in which the most unequal countries are the most class-bound countries, where it's hardest to get ahead in life and privilege is protected.

Canada, for example, is much more socially mobile than the United States, in part because of our health care system, in part because of the high quality of our education system and in part because of an open and efficient labour market that rewards talents, but it doesn't mean we don't have challenges. The Great Gatsby curve stresses the importance of fighting poverty and inequality to allow the next generation to prosper.

**The Chair:** Thank you, Mr. Corak and Ms. Young.

**Ms. Kate Young:** Thank you.

[*Translation*]

**The Chair:** Ms. Chabot, you may go ahead. You have two and a half minutes.

**Ms. Louise Chabot:** Thank you, Mr. Corak. I want to make sure I understood what you said about EI special benefits

The system provides regular benefits and special benefits, which include maternity and sickness benefits. Where seasonal work and maternity leave are concerned, EI is tied not to the loss of work, but to a specific condition.

Are you suggesting splitting EI into separate programs, one to deal with the loss of work and another to deal with cases that do not involve the loss of work?

[*English*]

**Dr. Miles Corak:** No, that wouldn't be my view.

Let me perhaps rephrase this. When the 1971 legislation was written, for every dollar that an employee contributed to unemployment insurance, as it was then called, the employer contributed \$1.40. The reason was that, for every person who quit, there were 1.4 people who were laid off, so we were trying to tie contribution rates to who caused the separation, the employer or the worker.

Since that time, we've removed quitters from the program, but people are still paying their dollar. What has happened is that special benefits have risen in importance. All I want to do is take that dollar and give people ownership over it and let them use it in the way that's best for them. The program would still function as it is. We would just simplify and reorganize the special benefits side.

It's very good what we've done with special benefits. We never know when a child will fall ill. We never know when an elderly mother or father will fall ill. However, we never know when a teenage child will be diagnosed with schizophrenia. Are you going to start another program for that? We never know all sorts of other contingencies. Because we don't know, just give people agency over the use of their funds.

Obviously I'm also calling for a bit of a return to tripartite financing. In 1971, the federal government was a contributor to the EI fund because there was a collective risk and it should be faced collectively, just like in the pandemic it was a collective risk and the federal government had to step up to pay. Therefore, some of these special benefits need to be funded collectively as well, some fraction of them.

The program stays intact. It's just simplifying and redesigning special benefits.

• (1725)

**The Chair:** Thank you, Mr. Corak and Madam Chabot.

Next we have Ms. Gazan, please, for two and a half minutes.

**Ms. Leah Gazan:** Thank you, Chair.

Mr. Corak, I really appreciated your discussion around even caring for sick loved ones. Something the NDP has been advocating for years is to increase, because we never know what can happen in life, the EI sickness benefit permanently from 15 weeks to 50 weeks. This idea actually also received support at this committee in a 2016 study on EI, especially for individuals undergoing cancer treatment, for example.

I bring this up as well because we are now in a pandemic. We know that people have gotten very sick during the pandemic. We don't know what that will look like for them, going forward, in terms of healing and being able to return to work. Is this a measure that you would support?

**Dr. Miles Corak:** At the risk of losing some of your time, Madam Gazan, I need a little bit of clarification. I missed exactly what it is you want me to support. Is it a previous proposal?

**Ms. Leah Gazan:** No, it's to increase the duration of time for an EI sickness benefit from 15 to 50 weeks.

**Dr. Miles Corak:** I can't speak to that specific issue but, as you pointed out, life is full of uncertainties. I mean, even last February we didn't know what was going to be happening in March and April, and look at how our lives have changed. We can't anticipate that. This is why I feel that people should be allowed to build up

their funds and use them for however long they want. There's always a risk that these funds will dry up, and we can't leave people just totally in the lurch. You could think of it as sort of like a forced savings account, a TFSA, if you will. You would pay it back later if you had to use more than you had.

What I feel uncomfortable about with your proposal is that we have another rule, with another date, and it will be fixed and things could be different. I'm just looking for a more flexible way to address this important need with the demographic risks. Family risks matter as much as workplace risks sometimes.

**Ms. Leah Gazan:** I very much agree with you.

Thank you very much.

**The Chair:** Thank you, Ms. Gazan.

Colleagues, we are pretty much bang on the 5:30 eastern hour, so I'll wrap it there.

Ms. Mahboubi and Mr. Corak, this has been a fascinating and illuminating discussion. Thank you so much for your expertise. Thank you for your patience. Thank you for the comprehensive way in which you answered the questions. I think this will help frame the questioning of further witnesses who come before us. It most certainly will help frame our thinking as we delve into this issue. We are very grateful for your expertise this evening.

Colleagues, if there is nothing further to come before the committee, do we have consensus to adjourn?

**Mr. Wayne Long:** Chair, I believe MP Chabot has her hand up.

[*Translation*]

**Ms. Louise Chabot:** Mr. Chair, I'd like to say something.

**The Chair:** Go ahead, Ms. Chabot.

**Ms. Louise Chabot:** I'll be very quick. I sent my fellow members three routine motions, so I just want to let you know that I plan to move them Thursday.

**The Chair:** Thank you for sending us your written notices of motion. We did indeed receive them.

[*English*]

Do we have consensus to adjourn?

I see consensus in the room. Thank you, colleagues. We'll see you Thursday.

We're adjourned.





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