

29 July 2022

The Honourable Cara Qualtrough, P.C., M.P.  
Minister of Employment, Workforce Development and Disability Inclusion  
Email: [NC-EI\\_Consultations\\_AE-GD@hrsdc-rhdcc.gc.ca](mailto:NC-EI_Consultations_AE-GD@hrsdc-rhdcc.gc.ca)

Dear Minister:

On behalf of the Saskatchewan Chamber of Commerce (SCC), thank you for the invitation to participate in these important discussions, and to Commissioner Nancy Healy for welcoming recommendations from the chamber network.

Since 1920, the SCC has represented the Saskatchewan business community, advocating on behalf of businesses of all sizes, local chambers of commerce, and professional associations. As the voice of Saskatchewan business, the SCC is uniquely equipped to develop policies that accurately reflect the needs of the business community.

The SCC is continuously engaged with our members – seeking insight from our business community to provide recommendations that will strengthen economies locally, regionally, and nationally. In considering opportunities to reform the Employment Insurance (EI) program, our business community urges the federal government to prioritize fiscal sustainability and accountability, equitability for fund contributors, regional consistency, and access to accommodate growing numbers of self-employed individuals. Furthermore, that these priorities be considered in the appropriate economic context.

Macrotrends in Saskatchewan indicate increased digitization in traditional sectors, a renewed emphasis on essential/foundational skills, automation, and a blurring of boundaries between industries and occupations. Saskatchewan is facing a declining conventional energy sector, an aging workforce, and a need for population growth that is dependent on international immigration. For the second year in a row, members indicated in the SCC's Annual Membership Survey that access to skilled and experienced workers is their most pressing issue. Employers simply do not have the capacity to pay additional EI premium rate increases.

Going forward, the economy and Canadians would benefit from an EI program that better enables expeditious re-entry into the national labour market. Saskatchewan employers continue to struggle to find people with the right skills to manage and grow their businesses. According to a June 2022 report prepared by the Government of Saskatchewan's Ministry of Immigration and Career Training, Saskatchewan is experiencing tight labour markets as a result of high labour demand and fewer unemployed workers. In March 2022, there was an average of only 1.2 unemployed people for every vacant job. Saskatchewan's unemployment rate of 4.8% is below the normal unemployment rate of 5% and is another indication of a tight labour market with fewer workers available. These barriers to business growth limit employment opportunities for

Canadians and government tax revenues to fund social programs and infrastructure investments to further stimulate economic growth.

Given this context, our recommendations for the specific issues raised in roundtables are as follows:

- 1. Financial sustainability** – the current deficit in EI funds should be paid in full by the federal government and premium rates maintained at current levels. It is unreasonable for employers – who pay a disproportionate amount – and employees to pay off, through increased premiums, the current deficit that has resulted from misappropriation of accumulated surpluses and the redirection of EI contributions to fund benefits or initiatives outside the scope of the EI program.
- 2. Eligibility and accessibility** – should be consistent across all regions and provided based on contributions, which would include the option for self-employed individuals to opt-in to the program if they contributed both as an employer and employee.
- 3. Equitability and duration** – weeks of coverage across all regions should be consistent and simplified with tiered distribution of benefits designed to incentivize return to work. For example, utilizing the current maximum of 45 weeks, income benefits for weeks 1-4 would be sixty-five per cent (65%) of the average insurable earnings, weeks 5-8 at fifty-five per cent (55%), and weeks 9-45 at forty-five per cent (45%). These tiered benefits would act as incentivization to reenter the workforce as soon as possible, with the additional recommendation that a skills assessment occur immediately in the first tier, while benefits are at a maximum, to identify additional support for skills development and/or micro-credential training for individuals. Additional income supports or programs could be accessed via ancillary programs.
- 4. Replacement rates and indexing** – replacement rates should be maintained at current levels and with only maximum insurable earnings subject to indexing.

Our members and the broader Saskatchewan business community believe EI is an important program that must be fundamentally reformed to provide financial stability to Canadians during periods of short-term job loss as well as their reentry into the labour market. EI can most effectively serve these important functions in the long term if managed and delivered as intended - as an insurance program.

Fundamental reform would result in arms-length governance and management according to actuarial principles. EI would no longer be treated as a taxation or social program, nor would it be delivered with regional variances resulting in inequitable contributions and distribution of benefits among employers and Canadians. Appropriate reform would also consider the Canadian Pension Plan's equitable mandate and sound governance as a best practice to model for sustainably managing EI funds and benefits.

Such forward thinking reform and the resulting transparency and accountability to EI fund contributors – primarily the business community – would instill confidence in Canada as a place to invest, generating ongoing employment opportunities and sustainable shared prosperity among Canadians.

We would welcome the opportunity to engage further in these important discussions to reform the EI program, and again, appreciate the opportunity to contribute the priorities of our business community.

Sincerely,



Prabha Ramaswamy  
CEO  
Saskatchewan Chamber of Commerce