

Employment Insurance reform

Policy primer | Dec 2024



Canada has an Employment Insurance (EI) program that aims to help people who lose their jobs. Yet, alarmingly, **47% of households that relied on EI as their main source of income experienced food insecurity in 2022.**¹ It's clear: The EI program isn't helping people to meet their basic needs.

As the federal government seeks to modernize the EI program, we're calling for reforms to expand access to the program and increase EI benefit rates.

With poverty being the root cause of food insecurity, an effective EI program is key to reducing food insecurity among people who are temporarily unemployed.

What is EI?

- EI provides temporary income support to unemployed workers while they look for a job or upgrade their skills.
- EI also provides benefits to workers who take time off work due to illness, pregnancy, parental leave, or to care for ill family members.

Why are EI reforms needed?

- EI program rules don't reflect today's labour market: More than ever before, people are self-employed, working part-time, working multiple jobs, or in contract or temporary positions.²
- This means that large numbers of workers can't work enough hours to meet the 420 to 700 work hours needed to qualify for EI.²
- Workers who don't qualify for EI must then rely on provincial/territorial assistance programs that are grossly underfunded. It's no coincidence that 70% of households that rely on social assistance experience food insecurity.¹
- While EI is more generous than social assistance rates, nearly half of households that rely on EI as their main source of income experienced food insecurity in 2022.¹

What specific reforms are needed?

EI eligibility needs to be expanded and EI rates must be sufficient to help address food insecurity. So we're calling on the federal government to:

- reduce the qualifying work hours from between 420 and 700 to **300** for all regions
- ensure access to EI benefits for all workers
- increase EI benefit rates to **85% and 75%** of average insurable weekly earnings for low-wage workers and all other workers, respectively.

Learn about our [Poverty Action Unit](#) or contact us at pau@cfccanada.ca.



References

1. Li, T., St-Germain, A.-A. F., & Tarasuk, V. (2023). *Household food insecurity in Canada 2022*. Research to identify policy options to reduce food insecurity (PROOF). <https://proof.utoronto.ca/wp-content/uploads/2023/11/Household-Food-Insecurity-in-Canada-2022-PROOF.pdf>
2. Institute for Research on Public Policy. (2022). *How to modernize Employment Insurance: Toward a simpler, more generous and responsive program*. Institute for Research on Public Policy. <https://irpp.org/wp-content/uploads/2022/05/EI-Report-FINAL.pdf>

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