

Benefit. The improved benefit will help low-income parents meet some of the costs of participating in the labour market, such as child care and transportation.

Developing an employment insurance system for the 21st century

During the past year, the Government of Canada has introduced legislation to reform the long-standing unemployment insurance system. This is to be replaced, by July 1, 1996, with a fundamentally new Employment Insurance Program.

In addition to providing income support for unemployed workers, the Employment Insurance Program provides active measures to increase these workers' skills and abilities and to create opportunities for meaningful work.

Income support claims will be based on hours, rather than weeks, of work. This means that the incomes of some half-million additional part-time workers, mostly women, will be insured for the first time.

People who work at low-wage jobs will also get special support through a family income supplement.

About two-million Canadians per year will use the National Employment Service to obtain help in finding a job or to receive career-related information and advice.

Active labour market measures under Employment Insurance include five results-oriented, adaptable employment "tools" to help people get back into the work force:

- 1) **wage subsidies** will encourage employers to hire workers, especially those facing barriers to employment;
- 2) **earning supplements** will add to workers' wages to make it easier for them to take available work;
- 3) **self-employment assistance** will help the unemployed start their own businesses;
- 4) **job creation partnerships** will provide job opportunities in communities with high unemployment; and
- 5) with the agreement of the provinces, **skills improvement loans and grants** will be available to unemployed workers who want to develop new job skills.

Employment Insurance also contains a three-year, \$300-million Jobs Fund to help foster long-term job creation in areas of high unemployment.

Payroll taxes this year will fall by \$1.25 billion as a result of reductions in premiums paid by employers and employees, combined with a reduction in the maximum income insurable under Employment Insurance.