

CHAPTER IV

ELIGIBILITY

A. Main Issues

The question of eligibility must be considered in light of the basic functions which unemployment insurance is designed to serve.

Eligibility establishes:

- (a) the conditions under which an employee may receive benefits;
- (b) the type and extent of benefits based on such factors as length of employment and the type of earning interruption.

Under the White Paper proposals, the factors which establish eligibility determine the type of benefit entitlement and the point at which an unemployed person enters the plan. Terms of eligibility should have two aims. The system must assure that *bona fide* claims are accepted and that adequate safeguards exist to prevent a proliferation of fraudulent claims. Overly-stringent eligibility provisions could result in a rejection of *bona fide* claims and eligibility provisions which are loosely-drawn would be contrary to the public interest because of a higher probability of unjustified claims.

The White Paper proposes eligibility conditions which aim to minimize the probability of *bona fide* claims being rejected. Supplementary control procedures are proposed as safeguards.

Specifically the White Paper proposes to:

1. Retain the three main conditions for eligibility (i) if an employee has experienced an interruption of earnings¹⁰ and is therefore unemployed; (ii) if he is capable and available for work; (iii) if he is unable to find suitable employment: but, with easier qualification for benefits and the establishment of different points of entry to the benefit structure. Moreover, the White Paper eligibility rules take account both of the type of interruption of earnings experienced by an individual, his length of time in the work force, his length of unemployment, and the general unemployment situation.

All of these factors figure in the five phases of the White Paper plan.

2. Qualification barriers are lowered. While the present act requires 30 contribution weeks in the last 104 weeks with the additional proviso that at least 8 of these contribution weeks be in the last 52 weeks, the new plan provides admissibility to monetary benefits with as little as 8 weeks during the last 52.

3. Establish two points of entry into and two corresponding routes through the benefit structure. For persons with an attachment to the labour force ranging from 8 to 19 weeks in the last 52, the point of entry is Phase 2; for persons with an attachment of 20 weeks or more in the last 52 weeks, the point of entry is Phase 1.

¹⁰ Under the White Paper definition of cause of interruption of earnings, maternity, retirement and sickness are included.

Moreover the second group qualifies for special unemployment benefits (Sickness, Maternity and Retirement) beyond those provided under the 5 phases.

4. Provide a waiting period of two weeks in lieu of the present practice of a one-week waiting period.

5. Determine the eligibility for Phase 5 benefits on the basis of the regional unemployment rate relative to the national unemployment rate.

The Committee heard a diversity of views on a majority of the five points.

1. Eligibility Conditions

Except for statements such as the one presented by the Canadian Teachers' Federation in which they ask "that such a program provide benefits as a natural right rather than through acquired eligibility"¹¹, there was general support in the briefs and hearings for the easier eligibility conditions. Disagreement tended to centre on certain details.

There was general support for the White Paper proposals to assure that *bona fide* claims are accepted and with the decision to specify diverse points of entry and routes into the system.

There were neither objections to the eligibility conditions nor controversy regarding the weight proposed for the factors which initiate a benefit. If any general conclusion is to be drawn from the evidence, it is that the new eligibility conditions are a considerable improvement over the present ones.

2. Lower Qualification Barriers

With respect to the question of reducing the qualifying attachment to the labour market, certain differences were apparent. Representatives of labour bodies welcomed the proposed reduction while spokesmen for certain employer organizations questioned whether a labour force attachment of as little as eight weeks would constitute an entitlement. Those who opposed the lowering of entrance requirements suggested that abuses would be generated and that temporary and casual workers would draw unemployment insurance benefits. Those who supported the proposal welcomed the proposed protection provided by unemployment insurance for new entrants into the labour force.

To the extent that there has been a change in the nature of the clientele that experiences or is likely to experience an interruption of earnings if the new plan is to be effective, it would appear necessary to revise the eligibility conditions as proposed in the White Paper.

3. Two Points of Entry

None of the submissions challenged directly the design of two points of entry to the benefit structure and of two routes for claimants depending on the length of

¹¹ See *Minutes of Proceedings and Evidence*, 3rd Session, 28th Parliament, October 13, 1970, Issue No. 1, Appendix A-12, p. 80.