

Government Orders

For example, the government will effectively pay any increase in unemployment insurance employer premiums in 1993 over 1992 to a maximum of \$30,000 for any small business that increases employment. This is a very good initiative and it is being utilized very effectively.

As well, we are holding the line on UI premium rates for both employees and employers in spite of the high payouts from the UI fund estimated to be something in the order of \$22 billion in 1993.

Again danger is posed by growth in the deficit and means we must keep costs of the unemployment insurance system under control. With premium rates for 1993 kept to 1992 levels we are proposing to hold the average level of benefits over the next two years likewise to the 1992 levels.

The benefit rate will be set at 57 per cent of insurable earnings for the next two years, down from the current 60 per cent. This reduction will offset the growth in wages that would otherwise cause average benefits to increase during this period.

The new rate will apply to claims made after April first of this year or on the day that this bill comes into force if that is later. Workers who start receiving benefits before that date will not have their benefits reduced.

As well, we propose to establish a new rule that would disqualify claimants who quit their jobs voluntarily and without cause or who are fired because of misconduct. The total saving from these changes is estimated to be some \$850 million for 1993-94 and \$1.6 billion in the following year.

There has been a lot of discussion about these measures, a lot of hysteria and misinformation, but clearly our motivation in making this change was our commitment to treating all Canadians as fairly as possible.

In our current economic situation we believe it would not be fair to continue subsidizing those individuals who chose to quit their jobs without justifiable reason. However, many people including workers and their representatives have expressed some concerns about the implementation of this new provision.

In order to reassure them that the implementation of this measure will conform to the same standard of fairness that motivates this policy decision, we are making certain clarifications to the Unemployment Insurance Act, many of which are already part of the administrative procedures of the UI plan. Much of the jurisprudence and the Unemployment Insurance Commission policy already in effect will now be stated explicitly in law.

Over the years extensive safeguards have been built into the system to ensure that those who have just cause to leave their jobs will receive their full benefits. All cases are reviewed and will continue to be reviewed in an objective and compassionate way.

The definition of just cause is clearly laid out in the existing Unemployment Insurance Act and applies to a wide range of individual situations. For example, the disqualification does not apply to those who leave their jobs because of harassment, including sexual harassment or discrimination on grounds prohibited by the Canadian Human Rights Act.

As well, the act covers those who are obliged to quit their jobs to accompany a spouse or dependent child to another residence or because they work in conditions that endanger their health or their security. These people will not be disqualified. Workers who must leave their jobs to care for their children are not affected.

The list of definitions of just cause will be extended so that situations already recognized by the case law in this area will be explicit in the revised act. The act will now explicitly recognize the following situations as just cause: reasonable assurance of another employment in the immediate future, excessive overtime or refusal to pay overtime, significant changes in work duties or wages, antagonistic relations between an employee and a supervisor for which the employee is not primarily responsible, practices of any employer that are contrary to law, discrimination because of membership in any worker organization and undue pressure by the employer to force the employee to leave his or her job.