

Mr. Cousineau: Each employer has been supplied with CPP tables and income tax tables, but from the standpoint of income tax this is reconciled once a year. However, during the course of the year they have periodic audits, and it is on the premise of the employer that these are checked. However, a global check is done once a year.

Senator Flynn: Do you mean the tables supplied to the employers include unemployment insurance and income tax?

Mr. Cousineau: No, they are separate tables. There is a table for CPP.

Senator Flynn: The employer would be able to calculate how much he remits.

Mr. Cousineau: Yes.

Senator Croll: I sign some of these cheques, and when they are brought to me they indicate so much for unemployment insurance, so much for income tax, and so much for the other. When we send in the cheques we also indicate what it is for on the cheques. You say you do not receive that at all? We indicate what it is for and the total amount—\$17, \$20, \$40—and this adds up to so much on the cheque.

Mr. Cousineau: I will qualify that statement. The department of National Revenue deposits a cheque, but there is no further reconciliation as to the amounts that are shown by the employers until the end of the year.

Senator Flynn: National Revenue could do this, however.

Mr. Cousineau: Sir, it could be done; but many employers do not comply, as I understand, by giving that breakdown to National Revenue. At the end of the year National Revenue tells me their system of reconciliation is good enough and that if there is any shortage or overage this could be tackled immediately.

Senator Croll: But the form requires you to detail these amounts. Would you please ask your assistant? The form requires you to detail these amounts when you send it in. You do not merely send a cheque to them for any amount. It requires you to set it out, so the calculation must be there.

Senator Flynn: It is not very important, but I think improvement could be made in the calculation of the amount which is to be remitted to the UIC.

Mr. Cousineau: We can take that up with the Department of National Revenue. My understanding is that it has not been enforced.

Hon. Mr. Andras: I understand your comment, senator; it is a new facet to be explored.

Senator Flynn: Would you explain, Mr. Minister, exactly what the government share is?

Hon. Mr. Andras: Yes. The act provides that when the level of unemployment nationally exceeds 4 per cent, as

calculated each month on the labour force survey, then certain extended benefits are available to claimants. There is also a section of the act which provides that, where the regional—and there are sixteen regions in the country for this purpose—unemployment exceeds the national level by a certain percentage, the number of weeks of extended benefits increases or decreases as the excess over the national unemployment rate varies in a region. Added to this are the special payments of fishermen's benefits, plus certain of the extended benefits, such as sickness, maternity and extended benefit period. There is also the labour force attachment in the case of a major attachment to the labour force claimant, that is 20 weeks or more. There are certain extended benefits, but these are the factors that come into play.

The costs attributable to those special measures are payable by the government under the act. The remainder of the costs are chargeable to the employer-employee premium account, as is the cost of administration. This is a variation of the new act from the old act. In the old act the government paid 20 per cent of the combined cost, which is from the beginning.

Senator Flynn: What do you mean by the additional benefits when the rate of unemployment goes beyond 4 per cent? Do you mean that whenever 4 per cent of the labour force is unemployed there are some who can draw benefits that they could not draw when the unemployment rate was less than 4 per cent?

Hon. Mr. Andras: Yes. In essence, the assumption is that when unemployment exceeds that level it becomes more difficult for a person to find a job. It is not as much a personal factor, that he or she is or is not capable of finding a job. Some other, more general condition has entered the picture. Therefore the government is saying it will allow additional time. The amount of the benefits per week does not change, but the length of time during which unemployment insurance benefits can be drawn does increase if the national rate is in excess of 4 per cent, or if the regional rate is in excess of the national rate.

Senator Flynn: It seems to create a vicious circle though.

Senator Carter: Are these benefits paid, when the national unemployment exceeds 4 per cent, in a province where the rate is less than 4 per cent, where it is 3 per cent, for instance? Are these extra benefits, or the additional duration of payments, made in a place where the unemployment is below 4 per cent, below the national average?

Hon. Mr. Andras: The regional rate must be in excess of the national rate, and the national rate must be in excess of 4 per cent, so those in a province having a rate below that would not receive the extended benefit.

Senator Carter: By "region", do you mean one of five regions?

Hon. Mr. Andras: No, for this purpose we are speaking of sixteen regions. It is more decentralized than that.