



Bulletin

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NEW LOOK FOR UNEMPLOYMENT INSURANCE

Mr. Bryce Mackasey, Minister of Labour, tabled in the House of Commons on June 17 a White Paper outlining a new unemployment insurance program that will extend coverage to virtually all wage-earners in Canada, regardless of income or profession, except self-employed persons. In all, the plan will cover about 1,160,000 new workers, bringing the total of insured employees in Canada to 6.5 million.

Another basic change visualized in the White Paper, which is entitled Unemployment Insurance in the 70s, is the elimination of the present salary cut-off of \$7,800 a year, which up to now has excluded nearly 600,000 employees. Also, there are nearly 1 million persons now covered by unemployment insurance who earn over \$7,800 a year but who contribute because they are paid by the hour.

Benefit payments, which now reach a maximum of \$53 a week for an employee with dependants, would be increased to a weekly maximum of \$100. The plan also proposes the payment of special benefits when

loss of income occurs as a result of illness, retirement and pregnancy.

The White Paper constitutes the first revision of the Unemployment Insurance Act in Canada as a whole, since the original legislation went into force 30 years ago.

Excerpts from Mr. Mackasey's statement to the House of Commons follow:

...The plan will provide for a series of up to three interviews for all those who suffer from interruptions of earnings due to loss of work. These interviews are intended primarily to aid the individual in his search for employment. They will also help, however, to identify those persons who should not be receiving benefits.

Coverage will become universal. Some will call this an unnecessary imposition on those who apparently are secure in their employment. Perhaps they need not fear unemployment in the classical sense. But surely there is no one any more who can say with certainty that he or she will never suffer a temporary interruption of earnings.

The benefit rates are to be substantially increased in order to provide meaningful income support during the employment search or training period.

The benefit rate will be two-thirds of average wages during the qualifying period, rising to three-quarters in the later stages for persons with dependants. The maximum benefit, however, will be \$100 a week.

CONTRIBUTIONS LOWER

Employee contributions will be significantly lower than at present, while the employer cost will vary from well below the present costs to slightly higher, depending on their lay-off pattern. For example, the employee who earns \$100 per week presently pays \$1.40. This will be reduced to 79 cents under the new plan. The employer now pays \$1.40 for that same employee and this rate could drop to as low as 79 cents. Persons already in the labour force excluded

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