

## Crisis Looms for Hundreds of Thousands Who Face a 'Benefit Cliff' as COVID-19 Recovery and EI Benefits Start to Run Out March 27

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Workers in the hundreds of thousands are stressed out as they face an imminent financial crisis. Canada's special COVID-19 measures for EI and Recovery Benefits will soon run out for many.

There are only 3 bi-weekly payments remaining for many workers and the government has failed to tell us what will happen next.

Many of the 844,000 workers receiving the **Canada Recovery Benefit** (CRB)<sup>1</sup> in late January will receive a final cheque for the week ending March 27. That's because there's a maximum entitlement of 26 benefit weeks<sup>2</sup> and most workers applied in late September.

In addition, many of the 129,000 workers receiving the **Canada Recovery Caregiving Benefit** (CRCB) in late January will find themselves in the same boat, with the same 26-week maximum.

There will also be some among the over 2 million workers on **Employment Insurance** who face the same fate if they qualified for EI Regular Benefits with less than 490 hours. It means a 26-week claim in most regions. Many were transferred to an EI claim in late September when their CERB Emergency benefits ended. Additional workers will follow suit in April if they only qualified for 27 to 30 EI benefit weeks. Some on EI Sick Benefits have already exhausted their claim.

Even with the \$500 per week (taxable) benefit, workers are already having a hard time paying the rent and putting food on the table. What's going to happen when benefits run out?

This is causing individuals and their families tremendous stress. It's also a problem for everyone else. These benefits have helped stabilize consumer spending in our communities. The benefits have been critical to keeping the economy going during COVID-19.

The stats are clear. It will be women and low wage, racialized workers in precarious employment who are hit the hardest. January's Labour Force Survey shows where the burden of unemployment lies. While white workers faced 9% unemployment, the unemployment rate of Black, Indigenous and racialized workers was much higher: 20% of Southeast Asian, 17% of Latinx, 16% of Black, and 11% for Chinese workers. The employment rate for Indigenous people was down 5.4% year-over-year but fell only 2.6% for non-indigenous workers<sup>3</sup>. Historically, the disability unemployment rate is nearly double the non-disability rate.

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<sup>1</sup> [Canada Recovery Benefit Statistics by eligibility period, Canada Revenue Agency](#)

<sup>2</sup> The Canada Recovery Benefit (CRB) and Canada Recovery Caregiving Benefit (CRCB) provide maximum benefits of 26 weeks (6 months). Workers that started their CRB benefits when the program began September 27 will run out of their benefits March 27th. Similarly, in most regions, EI recipients who transferred from CERB to EI in September with fewer than 490 hours will see their EI benefits end March 27, 2021.

<sup>3</sup> [Labour Force Survey, January 2021 Statistics Canada](#)

It's not just unemployment. There are serious problems with *underemployment*. Mothers with young kids are still working less than their usual hours a year ago<sup>4</sup>.

The government must extend CRB, CRCB and EI weeks to prevent further inequalities. COVID-19 and its impacts are far from over. The labour market is dismal. January saw a 1.2% decline in all jobs with a 12.2% decline in part-time jobs<sup>5</sup> which hit women and youth hardest.

Essential income supports are running out while we're still in the midst of a second wave of COVID. We face the possibility of more waves and new variants that pose risks as vaccine roll-outs lag behind. Experts are cautious in their estimates about a full reopening by year-end<sup>6</sup>.

**The Federal government must extend [COVID-19 Income Supports](#) until year-end or the official end of the pandemic:**

- 1. Increase the number of Canada Recovery Benefit and Recovery Caregiving Benefit weeks**
- 2. Increase the number of Employment Insurance benefit weeks for all claimants**
- 3. Increase, as promised, the number of EI Sickness/Quarantine benefit weeks**
- 4. Extend all benefit coverages to all migrants**
- 5. Provide low-income workers with debt forgiveness of Canada Emergency Response Benefit (CERB) repayments. Ensure access to justice and a fair appeal process for all benefits.**

**We also need an EI review to provide comprehensive, permanent reforms.** The scars on the Canadian economy will last long after 2021. As Deputy Governor of the Bank of Canada, Carolyn Wilkins said, "the economic recovery will likely be uneven, and it must be recognized that some people and jobs will be left behind"<sup>7</sup>.

We need real reforms to give us [an Employment Insurance system for the 21<sup>st</sup> Century](#), such as:

- 1. Improved Access to EI**
  - **Set a new cross-Canada qualifying rule of 360 hours or 12 weeks for all EI benefits**
  - **Eliminate unfair disqualification rules (including management-labelled 'quit-fire')**
  - **Expand access to migrant workers and those misclassified as independent contractors.**
- 2. Decent EI Benefits**
  - **Set a floor of \$500 per week and an adequate benefit rate.**

**These recommendations are supported by the signatory organizations.**

**~ February 18, 2021 ~**

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<sup>4</sup> Katherine Scott and David Macdonald, CPPA [Looking at COVID-19 through an LFS Lens](#)

<sup>5</sup> [Labour Force Survey, January 2021 Statistics Canada](#)

<sup>6</sup> Sherina Harris, [Wondering When the Pandemic Will End? HuffPost Jan 6, 2021](#)

<sup>7</sup> Global News, [Coronavirus May Leave Permanent Economic Scars: Bank of Canada. Nov 12, 2020](#) .

## Signatory Organizations as of February 18, 2021

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- ACORN Canada
- Atkinson Foundation
- Campaign 2000: End Child and Family Poverty, National
- Canadian Labour Congress
- Chinese Canadian National Council, Toronto
- Colour of Poverty - Colour of Change
- Community Legal Assistance Society, Vancouver
- Community Society to End Poverty – Nova Scotia
- CUPE National
- Dignidad Migrante Society, British Columbia
- Family Service Toronto
- Fight for \$15 and Fairness (Ontario)
- Good Jobs for All Coalition, Toronto
- Labour Community Services
- Labour Education Centre, Toronto
- Laidlaw Foundation
- Migrant Workers Alliance for Change
- National Union of Public and General Employees (NUPGE)
- New Brunswick Federation of Labour
- Newfoundland and Labrador Federation of Labour
- Nova Scotia Federation of Labour
- Ontario Community Legal Clinics' EI Working Group
- Ontario Council of Agencies Serving Immigrants (OCASI)
- Ontario Federation of Labour
- Parkdale Community Legal Services
- Prince Edward Island Federation of Labour
- Social Assistance Coalition of Scarborough (SACS)
- South Asian Legal Clinic of Ontario (SALCO)
- Steelworkers Toronto Area Council
- Teamsters Canada
- Thunder Bay, Basic Income Speaker School
- Toronto & York Region Labour Council
- Unemployed Workers Help Centres of Saskatchewan
- UNIFOR
- United Steelworkers Local 8300
- UNITE HERE! Local 75, Toronto
- Workers Action Centre