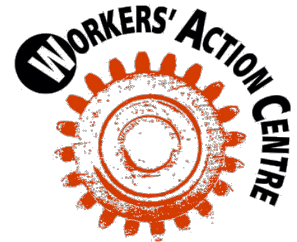


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Uncertain times: the transition from CERB to a new EI system under COVID-19

The federal government recognized that the Employment Insurance (EI) system could not deliver what was needed under the COVID-19 pandemic. The Canadian Emergency Response Benefit (CERB) was able to get partial income replacement into many people's hands quickly as huge swaths of the economy were shut down. While some workers still faced barriers accessing CERB, it helped many people survive through full or partial loss of income and stabilized the economy.

On July 31, 2020, the government announced that people on CERB will be transitioned to an updated EI system. At the time of writing, details of the new EI program have not been released. The resulting uncertainty is deeply worrying for thousands of people whose CERB benefits run out on August 29.

"I'm worried. I'm worried about the impact to my income caused by repeated self-isolations due to exposure. I'm worried about contact tracing if I'm exposed to a customer who tests positive with COVID-19 as opposed to a coworker. I'm worried about long-term side effects of contracting COVID-19, especially in the context of being a minimum wage worker. I did not sign up for navigating a public health crisis. I'm worried about my coworkers who are not in positions to speak up for themselves. I'm worried about physical violence and assault from customers when you ask them to abide by mask bylaws. I'm worried about the impact of working throughout the pandemic to my mental health. And I'm worried about not being able to afford to get sick."

Worried; that is what many people said when they called the Workers' Action Centre (WAC) hotline.¹ For this reason, the Workers' Action Centre conducted an on-line survey to hear about the experiences people have had under COVID-19, and specifically the extent to which CERB met their needs, and how they will manage when CERB ends. In just over 3 weeks, 1,437 people completed the on-line survey.²

¹ The Workers' Action Centre operates a hotline for workers in low-waged and precarious jobs to provide information and support for individual and collective workers' rights.

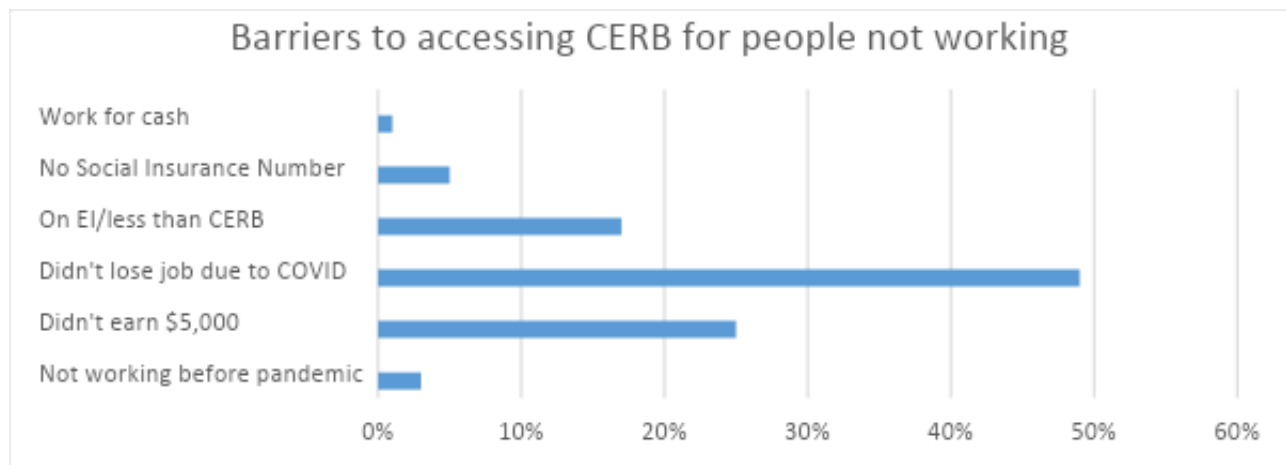
² The survey was posted on the \$15 and Fairness website from July 9 to August 1, 2020. The survey was promoted through facebook and twitter, and through a variety of formal and informal networks.

Findings

Almost half (45%) of those responding to the survey were not working, while 27% were working full-time and 16% were working part-time. Just over half (52%) reported they were on CERB.

We wanted to hear what barriers people faced in accessing CERB. Most unemployed people reported receiving CERB. But those unemployed people not on CERB, identified a number of barriers. Almost 50% of them were unemployed for reasons not directly related to COVID-19, while 17% were on EI claims at lower benefit rates than the \$2,000 per month provided by CERB. One in four such respondents could not access CERB because they did not earn enough in the previous 12 months.

“I can't access CERB, because I didn't earn \$5,000 in the previous year. I am high risk and have immediate family members who are immunocompromised. I worked as a PSW and had to make the difficult decision to stop working in order to keep myself and my family safe. Although none of us has contracted COVID to date I believe I would not qualify for CERB because technically I declined work. But I declined it because of unsafe working conditions without proper tracking (multiple PSW's from multiple agencies coming into my client's home and going to many other clients). I believe that if I took CERB I would have to pay it back because the government would claim that I declined work and was therefore not affected by COVID.”

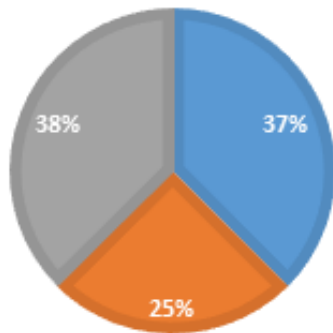


Almost half (45%) of people working part-time said that they worked less hours than they did before COVID-19.³ Forty-four percent of part-time workers reported that they were on CERB. For 37% of these part-timers, the \$1,000 limit on monthly earnings was a barrier.

³ Statistics Canada reports that job losses among part-time workers were significantly heavier than for full-time workers from February to April. Low-wage workers' employment fell by 38% compared to a decline of 13% for all workers and continues to lag behind employment levels for all other workers. Unemployment remains significantly higher for Black (26.8%), South Asian (17.8%), and Arab (17.3%) workers compared to 10.9% for all workers. Women experienced heavier employment losses in March than men did and this trend continues. Statistics Canada, [Labour Force Survey](#), July 2020.

BARRIERS TO CERB WHEN HOURS OF WORK ARE REDUCED

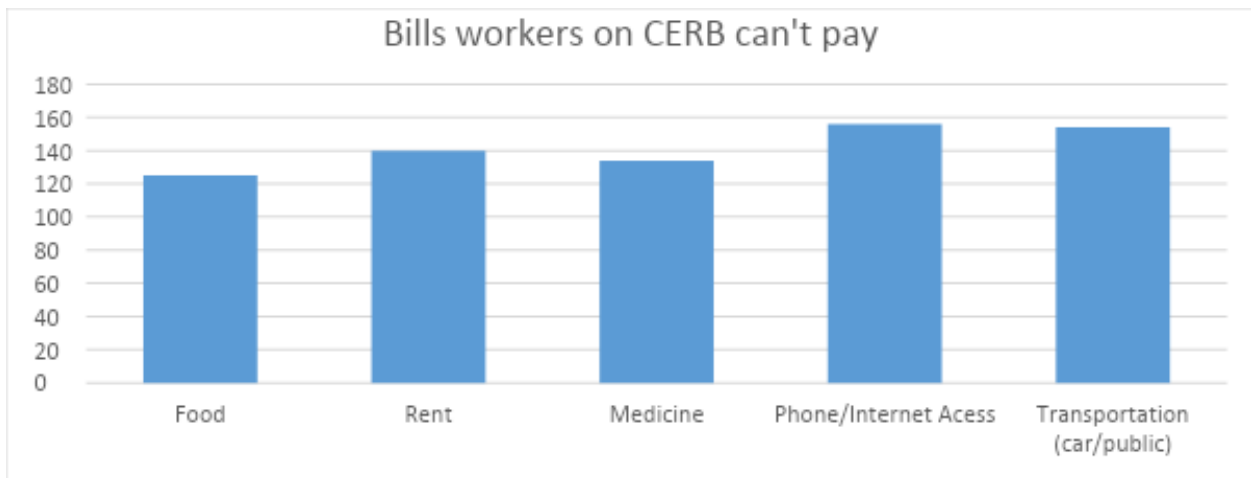
- Make more than \$1,000 per month
- Didn't lose job due to COVID-19
- Did not make \$5,000 last year



"I have received a layoff notice, but won't be able to access CERB because my salary from my remaining job is \$1,200 per month... And finding a new job will be nigh impossible because I have MS (and why would a new employer accommodate a disabled worker when they have so many others to choose from?). My husband is on CERB but it will run out soon, and he hasn't been able to find work, plus he's immune compromised and has back issues that limit what he can safely do at work."

At \$2,000 a month, is CERB enough?

Fifty-five percent of respondents said they could survive on CERB. But 45% said \$2,000 was not enough. As one person explained, *"I cannot survive with the amount I am receiving after paying rent. It is very difficult to survive with high rent."* When asked what bills people could not pay, it was really the essential items like food, rent, medicine, communications and transportation that people identified.



"I'm afraid of how expensive rent is and trying to get by. Almost everyone I know is out of a job and to cover rent in Toronto about 6 or 7 of us would have to move in just to cover our bills and rent. How is anyone supposed to move forward in life when treated like ants in a farm. Going further out for more job opportunities means higher potential to be exposed and also extra money for transit is hard. Everything is causing so much stress and health problems due to stress overload. Things need to change."

How do people feel about CERB ending?

“Ending CERB now when we're still in the first wave, and there's a second wave predicted is premature and irresponsible. I am a contract worker, and contracts are hard to come by when companies have less work/money to go around. When CERB runs out, I'm not sure how long it may take for more contracts to come through.”

Five percent of people reported that the company where they used to work has gone bankrupt.

“CERB was originally created as a benefit for people who did not qualify for EI. Many restaurants have gone bankrupt during this time. Which means that MANY servers, cooks, etc. are now looking for work. With restaurants at half capacity and reduced hours, there are far less jobs than there were in March. When my CERB runs out in August, I will still not have a job, I do not qualify for EI, there are no more jobs for me. What are we to do?”

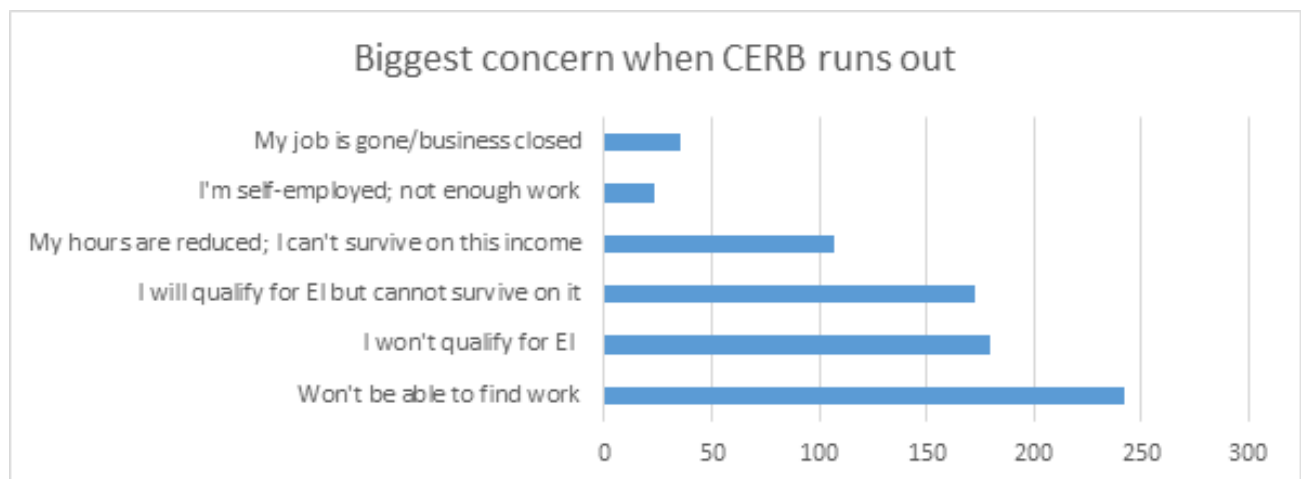
For many self-employed workers, the future is still uncertain. As one worker said:

“I'm a self-employed artist. When CERB runs out, I am still struggling to make an income with all the COVID protocols & limitations & work cancelations.”

Still other workers faced misclassification as independent contractors as this worker described:

“It's still so uncertain for people who work under self-employed contracts. One of my "employers" (day care) is hiring me for the odd day, and the other (event staffing) has not dissolved the previous company, but still formed a new one that I would have to re-apply for, and put my health at risk to work for. I have no idea if I even fit into the CERB criteria any more”.

Worry is the dominant theme of this survey. One in four respondents that added comments using the word ‘worry’. *“I'm worried about everything, buses, my kids, will there be school. How will I feed my kids tomorrow...?”*



As indicated in the previous table, people are worried that they will not be able to find a job or get work with enough hours or income to survive. *“One of my workplaces shut permanently due to COVID, and my other workplace will be one of the very last to reopen (2,000 seat performing arts venue). I am worried I won’t qualify for regular EI benefits and will not be able to find a new job before CERB runs out.”*

Looking ahead: Urgent reforms needed to make EI accessible and adequate for all

Over 4 million people will be transitioned from CERB to the new EI program in September. The new program has got to be up to the task. EI must be accessible for those in sectors that will take time to recover. It must be accessible to multiple job holders and to those whose hours or income are not yet back to pre-COVID levels. It must be available to people who are misclassified as independent contractors and to the self-employed.

Crucially, any new EI program must deliver adequate income support both to protect individuals from going into deeper poverty and to prevent the economy from plunging deeper into recession.

As most in the survey point out, \$500 a month is the bare minimum and for nearly half of respondents, it’s not enough to survive on.

“I am worried about transit. I am also concerned that if I get some part-time or freelance work it will disqualify me from collecting CERB and I won’t make enough to live on. \$2,000 a month is the bare minimum I need just to survive. I’m very close to the edge and it is impossible to save money.”

When Prime Minister Trudeau announced the end of CERB, he promised that “no one will be left behind”. To honour this promise, the scope of the new EI program must address the realities facing workers in this country. It must address women, migrant and racialized communities that have been disproportionately harmed by unemployment, job loss, and reduced hours of work. It has to address real life issues of child- and elder-care and different and changing scenarios for returning to schools and work. The new system must also anticipate the consequences of contract tracing, including the potential for repeated quarantines. And it must take into consideration all those who are immunosuppressed and face increased risks in general, but more particularly in the workplace. Finally, it must support workers’ right to refuse unsafe work as a means of protecting workers and the broader community.

For a full list of policy recommendations to make the EI program accessible, visit:

https://workersactioncentre.org/wp-content/uploads/2020/08/Leave-no-one-behind_Principles-for-a-new-Employment-Insurance-and-income-support-system_Workers-Action-Centre.pdf