



**BURLINGTON**  
CHAMBER OF COMMERCE

**BUSINESS LEGISLATION BULLETIN January 10, 2013**

In an effort to keep you apprised of legislative issues affecting business, the Burlington Chamber sends the Business Legislation Bulletin whenever new government policy or legislation relating to business is issued.

**Below you'll find information on increases to Employment Insurance premium rates.**

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The 2013 maximum Employment Insurance (EI) premium payable by an employer will be \$1,248 per employee whose income is equal to or greater than the Maximum Insurable Earning (\$47,400). This works out to an increase of \$72 beyond 2012 levels.

Employers currently pay premiums at 1.4 times the rate of employees. This means that employers pay for the bulk of the EI program.

The federal government has also changed who qualifies for benefits and how much unemployed workers receive from EI. Several new measures starting January 6, 2013 are intended to help connect EI claimants to available jobs in their community by:

- enhancing local labour market information, including daily 'Job Alerts' that are available to unemployed workers; and
  - better defining what constitutes suitable employment and a reasonable job search to encourage the unemployed to actively look for and accept work.
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**The changes fail to address key problems.**

First, the program remains a net transfer away from Ontario employers and employees to other parts of the country. Over the last 10 years, Ontario employers and employees have paid approximately \$20 billion more into the program than they have received back. This means that Ontarians are effectively subsidizing workers and businesses in other regions.

Second, the training programs that are funded by employer premiums short change Ontario to the tune of \$269 million. If Ontario received its fair share of these dollars, it could double the *Second Career* program, which helps individuals train for a new career.

The recent federal changes do not address these problems. To find out more on these issues, see page 4 of our recent report, [A Federal Agenda for Ontario](#).

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### **What you can do about it?**

Input your details into the following letter or download this template and email it to your local MP.

Dear Mr./Ms.[MP Last Name],

We applaud recent efforts to reform the EI program under the Canada Action plan, but these changes are not enough. Employers in our region will be hit with Employment Insurance premium rate increases in 2013.

Over the last 10 years, Ontario employers and employees have paid \$20 billion dollars more into the program than they have received in return. Employers, who have paid the bulk of this bill, are effectively subsidizing workers and businesses in other regions of the country.

Training programs that are funded by employer premiums short change Ontario to the tune of \$269 million every year. If Ontario received its fair share of these dollars, it could double the Second Career program, which helps individuals train for a new career. Meanwhile, many Ontario employers are having trouble finding workers with the right skills.

A recent report makes several recommendations to fix the EI program so that it works for all Canadians, including those among us who work and do business in Ontario. They include:

1. Reforming EI so that there is one national standard for qualification and one benefit formula for all Canadians.
2. Funding all federal training and active employment measures through a single, general revenue-funded transfer to the provinces/territories.
3. Allocating funding for federal skills and training on the basis of the number of unemployed.

For more information on these recommendations, please visit [www.federalagenda.ca](http://www.federalagenda.ca).

Thank you. I wish you all the best in the New Year.

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