



2009 Employment Insurance

Newfoundland and Labrador Statistics Agency January 2011



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Employment Insurance 2009

Overview

The total number of people in Newfoundland and Labrador who received regular and fishing employment insurance benefits¹ at some point during 2009 was 97,135, a 3.0% increase from the 94,340 who received employment insurance benefits in 2008 (see Chart 1)². The employment insurance incidence did not change significantly, increasing from 34.1% of the provincial labour force in 2008 to 35.1% in 2009.³

Number of Regular and Fishing EI Beneficiaries

Newfoundland and Labrador, 1992-2009

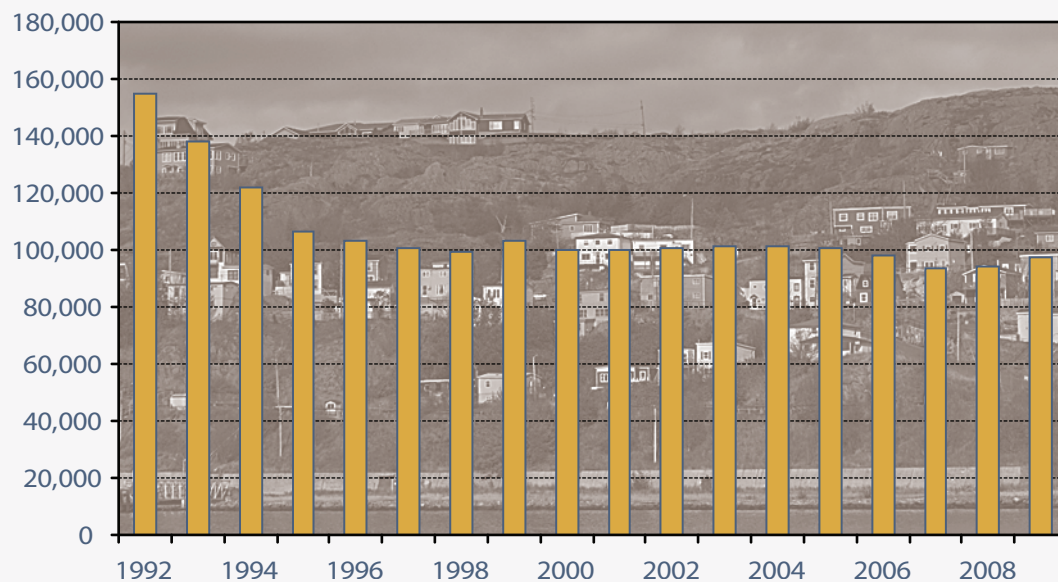


Chart 1

As we can see in Chart 2, the number of beneficiaries increased in each of the three major age groups: the number of beneficiaries in the Youth (age 15-24) category went from 8,690 in 2008 to 9,175 in 2009, an increase of 5.6%; the number in the Prime Labour Force Age (age 25-54) category went from 64,790 in 2008 to 65,520 in 2009, an increase of only 1.1%; and the number in the 55+ category went from 20,240 in 2008 to 22,160 in 2009, an increase of 9.4%.

¹ The Employment Insurance data reported here includes only claims related to job loss and fishing activity. All other types of claims are excluded (maternity leave, sickness, parental/adoption, work sharing, job creation, training and self-employment).

² All data, charts and tables in this document are based on the Employment Insurance table found in the Employment and Working Conditions Account on the Community Accounts website located at <http://www.communityaccounts.ca>

³ It should be noted that the labour force number for 2006 has been used to estimate the labour force for 2008 and 2009, so this percentage should be used with caution.

Number of Regular and Fishing EI Beneficiaries by Age Group

Newfoundland and Labrador, 2008 and 2009



Chart 2

We can also see in Chart 3 that the total number of male and female regular and fishing EI beneficiaries for 2009 showed only a slight change: the number of male recipients went from 58,320 in 2008 to 60,855 in 2009, an increase of 4.3%, while the number of female recipients went from 36,020 in 2008 to 36,280 in 2009, a very slight increase of 0.7%.

Number of Regular and Fishing EI Beneficiaries by Gender

Newfoundland and Labrador, 2008 and 2009

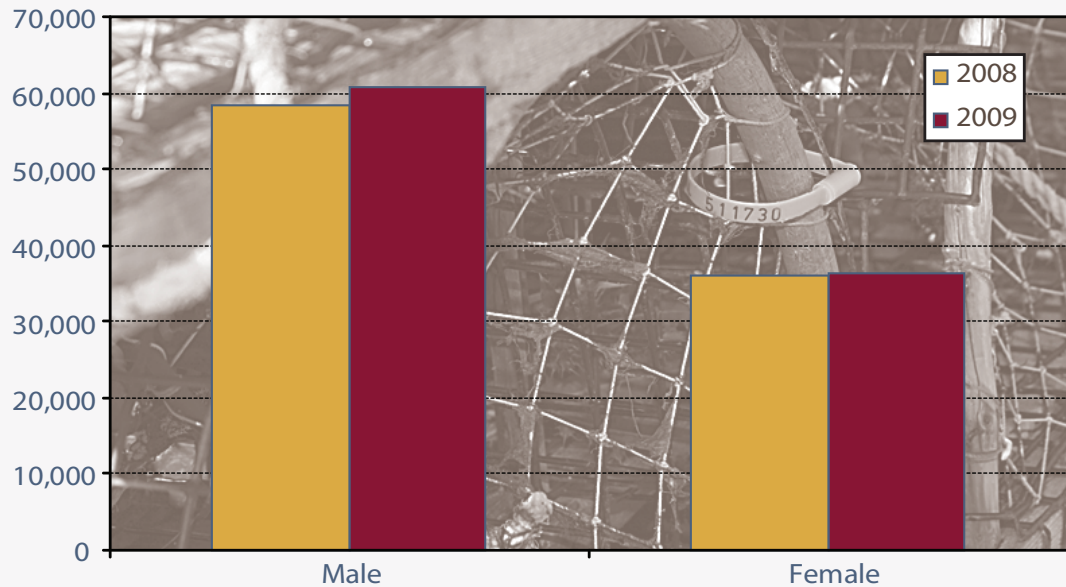


Chart 3

Finally, we note that the only significant change for any of the main occupation types was a 10.3% increase in the number of beneficiaries in the trades, transport and equipment operator category, from 22,220 in 2008 to 24,515 in 2009 (see Chart 4).

Number of Regular and Fishing Beneficiaries by Occupation

Newfoundland and Labrador, 2008 and 2009

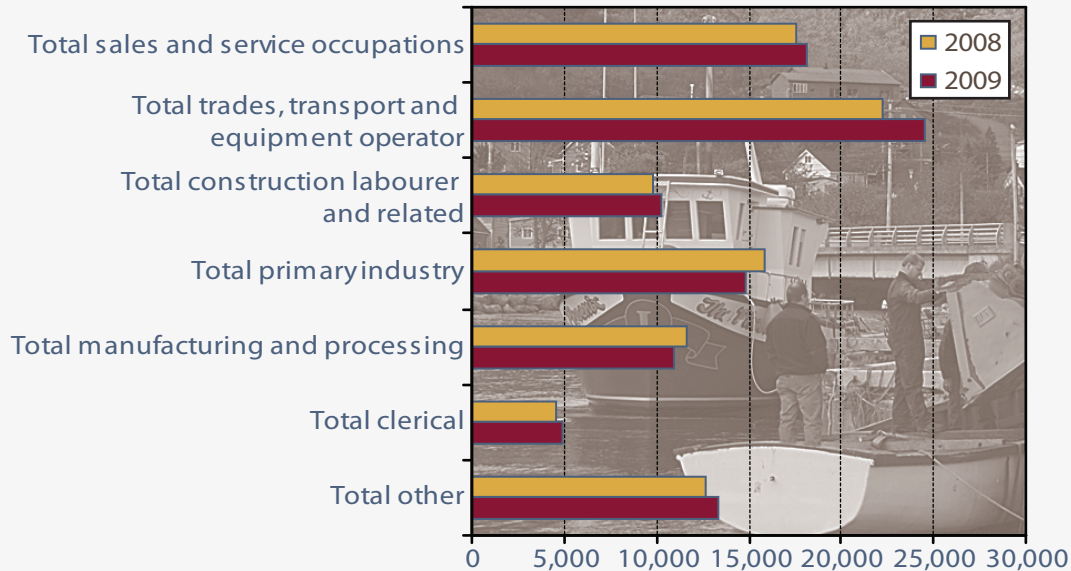


Chart 4

There were, of course, isolated events which affected specific communities or local areas. For example, in Labrador West, the average number of insured hours in the region increased from 1,195 in 2008 to 1,300 in 2009, and the number of beneficiaries with 1,800 or more insured hours rose from 200 in 2008 to 415 in 2009. These increases could be explained by a spike in the number of long-tenured workers being laid off. Indeed, in 2009 there was a major layoff of employees at Wabush Mines and a temporary layoff of employees at the Iron Ore Company of Canada.

Similarly, the closure of the AbitibiBowater paper mill caused a spike in the number of regular EI beneficiaries in Grand Falls and surrounding area. In Grand Falls-Windsor, for instance, the number of male EI beneficiaries rose from 1,180 in 2008 to 1,385 in 2009, an increase of 17.4%. The number of beneficiaries in Grand Falls-Windsor who collected more than \$10,000 in benefits rose from 475 in 2008 to 710 in 2009, while the number of beneficiaries with over 1,800 insured hours rose from 385 in 2008 to 525 in 2009.

Decline in Number of Fish Harvesters with Fishing Claims

The number of fish harvesters with fishing claims from 1992 to 2009 is plotted in Chart 5. The imposition of the cod moratorium in July of 1992 led to a precipitous drop in the number of fishing claim recipients from 12,605 in 1992 to 8,060 in 1993. Although this number began to rise in 1996 and reached a high of 12,915 in 2001, the number of fish harvesters with fishing claims has been declining since 2004. This trend continued in 2009 as the number of fish harvesters with fishing claims dropped from 9,845 in 2008 to 9,120 in 2009, a decrease of 7.4%.

Number of Fish Harvesters with Fishing Claims

Newfoundland and Labrador, 1992-2009

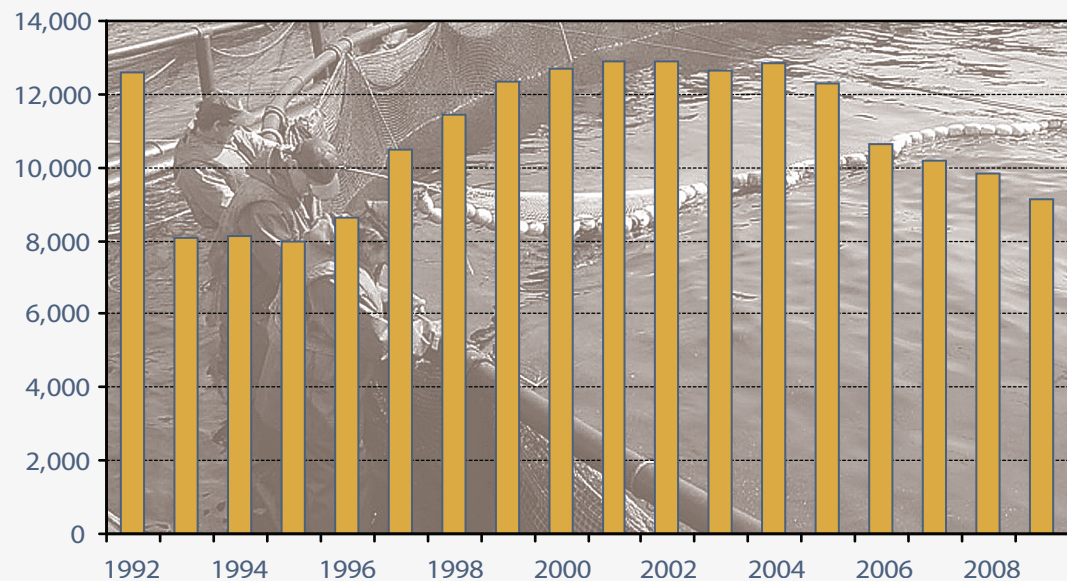


Chart 5

Increase in Total Benefits

Although the number of regular and fishing EI recipients did not change substantially, the total amount of employment insurance benefits they received did rise dramatically (see Chart 6). The total amount of regular and fishing EI benefits paid increased from about \$700 million in 2008 to over \$860 million in 2009, while the total amount of regular EI benefits went from just under \$600 million in 2008 to over \$750 million in 2009. Both of these figures were at their highest levels since 1993, when the total amount of regular and fishing EI benefits paid was around \$870 million and the total amount of regular EI benefits paid was around \$820 million; this is even more significant when you consider that the number of regular and fishing EI beneficiaries was 138,155 in 1993, much higher than the 97,135 beneficiaries recorded in 2009.

Total Annual EI Benefits Paid - Regular and Fishing

Newfoundland and Labrador, 1992-2009

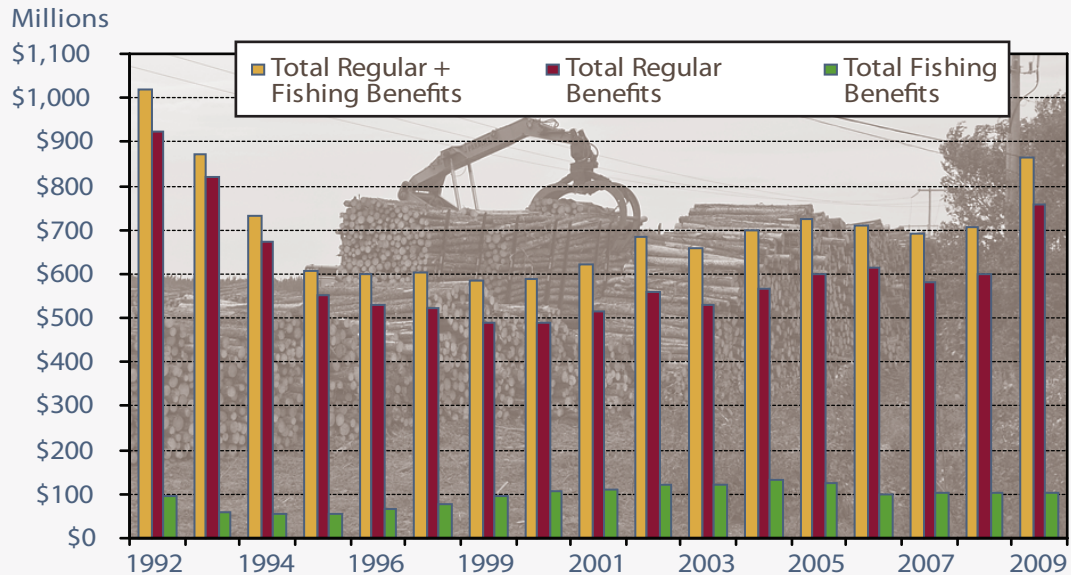


Chart 6

Average Annual EI Benefits - Regular and Fishing

Newfoundland and Labrador, 1992-2009

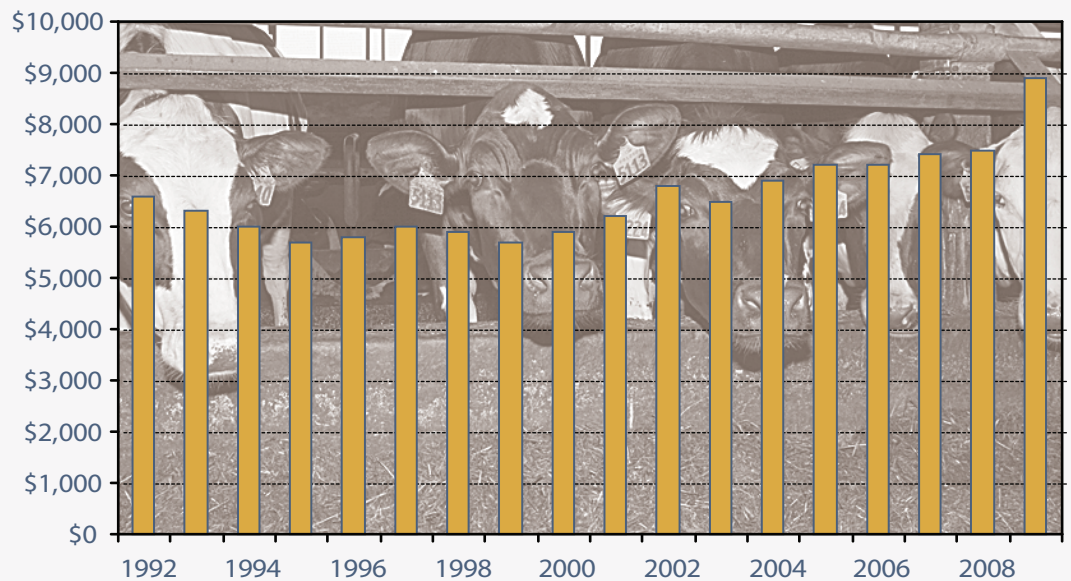


Chart 7

Although there was a slight 3.0% increase in the total number of regular and fishing EI beneficiaries (from 94,340 in 2008 to 97,135 in 2009), the large increase in the total amount of EI benefits paid in 2009 was a result of a substantial increase in the average amount of benefits paid to individual claimants. The provincial average of total benefits

paid to regular and fishing beneficiaries increased from \$7,500 in 2008 to \$8,900 in 2009 (see Chart 7). This increase occurred across the board: total benefits increased in nearly all geographies, age groups, and categories (although average total benefits did decline in some communities). Average regular benefits increased from \$7,100 in 2008 to \$8,600 in 2009. The increase in average benefits for fishing claimants was more modest: from \$10,500 in 2008 to \$11,200 in 2009. A detailed breakdown is given in Table 1.

Average Total Employment Insurance Benefits

Regular and Fishing, 2008 and 2009

	2008	2009
Total (All recipients)	\$7,500	\$8,900
Male	\$8,200	\$9,800
Female	\$6,200	\$7,300
Prime Labour Force Age	\$7,500	\$8,900
Regular Claims Only	\$7,100	\$8,600
Fishing Claims Only	\$10,500	\$11,200

Table 1

As a result of the large increase in total benefits, the number of employment insurance recipients in Newfoundland and Labrador with more than \$10,000 in benefits jumped from 29,740 in 2008 to 39,860 in 2009. On the other end of the scale, the number of recipients with less than \$1,000 in benefits dropped from 6,265 in 2008 to 3,145 in 2009 (see Chart 8).

Number of Regular and Fishing EI Beneficiaries by Total Benefits

Newfoundland and Labrador, 2008 and 2009

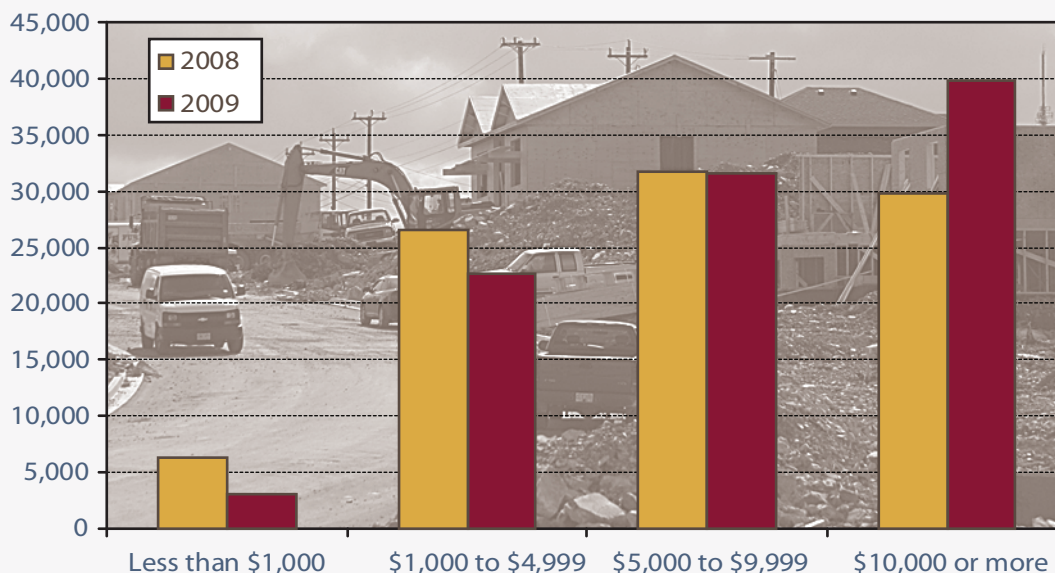


Chart 8

The increase in average annual benefits cannot be explained by a corresponding increase in the average weekly benefit rate. Despite the sharp increase in average annual EI benefits, the average weekly benefit rate for regular and fishing claims had only a modest \$15 increase, from \$345 in 2008 to \$360 in 2009. This increase continues the upward trend in the weekly benefit rate since 1992 as shown in Chart 9.

Average Weekly EI Benefit Rate - Regular and Fishing

Newfoundland and Labrador, 1992-2009

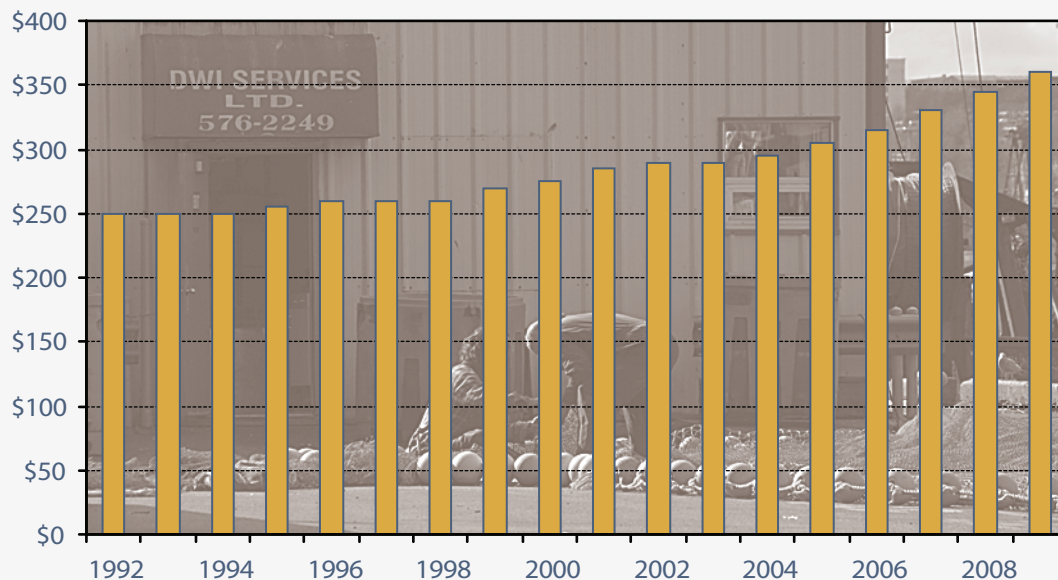


Chart 9

Extended EI Benefits Pilot Project and the Economic Action Plan

The downturn in the Newfoundland and Labrador economy caused a significant drop in employment in 2009. The unemployment rate averaged 15.5% in 2009 compared to 13.2% in 2008.⁴ Fewer employment opportunities may have contributed to employment insurance beneficiaries collecting more weeks of benefits in 2009, causing a substantial increase in the average benefits paid.

As well, an analysis by the Newfoundland & Labrador Statistics Agency suggests that economic events outside the province also contributed to the rise in EI. For example, layoffs in other parts of Canada, particularly in Alberta and Ontario, were shown to be linked to an increase in EI usage in this province as many of these individuals were from Newfoundland and Labrador. To deal with the economic recession, the federal government implemented temporary changes to the EI program; the details and examples below show how these changes may have contributed to increased benefits being paid.

⁴ Provincial Economic Overview p.12, <http://www.economics.gov.nl.ca/E2010/ProvincialEconomicOverview.pdf>

As part of its Economic Action Plan in the 2009 federal budget, the Government of Canada temporarily extended employment insurance eligibility by five weeks, increasing the maximum number of weeks a claimant could receive EI benefits from 45 to 50.⁵ This applied to regular claimants whose benefits had not expired by March 1, 2009 or whose benefit period had started before September 11, 2010. Fishing claims were excluded.

However, EI beneficiaries in Newfoundland and Labrador did not necessarily qualify for a five week extension provided by the Economic Action Plan initiative. The entire province of Newfoundland and Labrador had, since 2004, been included in the Extended EI Benefits Pilot (Pilot Project 10)⁶ that had already extended employment insurance eligibility by five weeks, up to a maximum of 45 weeks. As a result, an employment insurance claimant in Newfoundland and Labrador may have been entitled to none, some or all of the five extra weeks of benefits, as illustrated by the following three scenarios.⁷

1. A claimant living in a region with an unemployment rate of more than 16% with 770-804 insured hours of work would normally be entitled to 37 weeks of regular EI benefits. Under the pilot project the claimant would have been entitled to a full five week extension and received up to 42 weeks of benefits. Under the Economic Action Plan initiative, the claimant would still be entitled to only 42 weeks of regular EI benefits since the full five week extension had already been applied under the pilot project.
2. A claimant living in a region with an unemployment rate of more than 16% with 1190-1224 insured hours of work would normally be entitled to 43 weeks of regular EI benefits. Under the pilot project the claimant would have been entitled to only a two week extension and received up to 45 weeks of benefits, the maximum allowed under the pilot project. However, under the Economic Action Plan initiative, with the maximum number of weeks of eligibility set at 50, the claimant would be entitled to an extra three week extension (for a five week extension in total) and receive up to 48 weeks of regular EI benefits.
3. A claimant living in a region with an unemployment rate of more than 16% with 1400-1434 hours of work would normally be entitled to 45 weeks of regular EI benefits. Under the pilot project the claimant would not have been entitled to an extension since they were already receiving the maximum number of weeks of benefits. Under the Economic Action Plan initiative, the claimant would now be entitled to the five week extension and receive up to 50 weeks of regular EI benefits.

⁵ See http://www.servicecanada.gc.ca/eng/ei/information/extended_duration.shtml for more details

⁶ See http://www.servicecanada.gc.ca/eng/ei/information/increased_weeks_pilot_extension.shtml for details.

⁷ See <http://www.servicecanada.gc.ca/eng/ei/types/regular.pdf> for the table outlining the usual number of weeks of benefits, http://www.servicecanada.gc.ca/eng/ei/information/increased_weeks.shtml for the table outlining the number of weeks of benefits under the pilot project, and http://www.servicecanada.gc.ca/eng/ei/information/extended_duration.shtml#j for the number of weeks of benefits under the Economic Action Plan initiative.

EI Benefits for Long-Tenured Workers

In addition to the measures above, which applied to all regular employment insurance claimants, the Government of Canada added a mechanism that added up to 20 extra weeks of benefits for long-tenured workers.⁸ A worker is considered long-tenured if they have contributed to the EI program (paying at least 30 percent of the annual maximum EI premiums) for at least 7 out of 10 years and have received regular EI benefits for no more than 35 weeks in the last 5 years.

Under the program, a long-tenured worker would have received 5 extra weeks of regular EI benefits if they contributed to the EI program for 7 out of 10 years, with the extension increasing by 3 weeks for every additional year of contributions, up to a maximum of 20 weeks. The precise number of additional weeks of eligibility available for long-tenured workers is given in Table 2.

As can be seen in Table 2, this extension applied to regular beneficiaries whose claims started between January 4, 2009 and September 11, 2010.

Eligibility Table for Additional Weeks of Regular EI						
Benefits for Long-Tenured Workers						
Number of years paying premiums*	7/10	8/11	9/12	10/13	11/14	12/15
Claims starting between January 4th, 2009 and June 5th 2010						
Additional Weeks of EI Regular Benefits	5	8	11	14	17	20
Claims starting between June 6th and July 10th, 2010						
Additional Weeks of EI Regular Benefits	0	3	6	9	12	15
Claims starting between July 11th and August 7th, 2010						
Additional Weeks of EI Regular Benefits	0	0	1	4	7	10
Claims starting between August 8th and September 11th, 2010						
Additional Weeks of EI Regular Benefits	0	0	0	0	2	5

Table 2

* Note that the first figure refers to the number of years paying at least 30 percent of the annual maximum EI premiums and the second number refers to within how many years the contribution occurred.

⁸ See http://www.hrsdc.gc.ca/eng/employment/ei/Fact_sheet.shtml for more details about extended employment insurance regular benefits for long-tenured workers.



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