

EI changes come into effect

By JAMES MCLEOD

THE TELEGRAM

New rules governing Employment Insurance (EI) take effect this week, and depending on who you ask, they'll either benefit employers, help the economy, hurt workers or destroy rural Newfoundland.

Richard Alexander, executive director of the Newfoundland and Labrador Employers' Council (NLEC) said it has been pushing for these changes for a long time, and the new rules will mean businesses aren't competing against the EI system for workers.

"We've been lobbying government for a number of years with regard to the EI system, and these changes are a step in the right direction," he said.

The new EI system sets up different tiers for claimants depending on whether they're first-time users of the system, occasional users or frequent claimants.

First-time EI claimants have much more latitude to refuse work if it pays less than their previous job, or if it's work in a different field.

Frequent EI users must take any job that pays more than 70 per cent of their previous job, even if it's in a different field, so long as they're qualified for the job.

Darlene Thomas, chairwoman of Hospitality Newfoundland and Labrador said the organization is concerned the changes may affect the tourism industry in the province, since most operators rely on seasonal workers.

"They work the summer season and they come back year after year; there's a lot of that," she said. "They'll go on EI in the winter, but they all have the same job to come back to."

Thomas said those people may run into trouble with the new rules. But on the other hand, she said some operators have been struggling with a labour crunch, having

a hard time finding workers.

She said the new rules may make it easier to hire people, especially since the government has beefed up its job-alert system so people on EI will have more information about available jobs in their area.

All in all, she said, they'll have to see how the system works out.

Fish, Food and Allied Workers president Earle McCurdy wasn't being so circumspect.

"People don't understand the rules, they're very unclear. The minister says, oh trust us, common sense will apply. Quite frankly, that's not a concept that I associate with that particular government," McCurdy said. "For sure it will be inconvenient and cause headaches. I think it will go beyond that and cause serious hardship."

McCurdy said the problem with the new system is it seems to go after workers on the assumption that they're trying to game the system.

"It's kind of judgemental in nature. It sort of starts with the assumption that people who are frequent claimants, they're some kind of repeat offenders or something," he said.

But Alexander argued the system won't really impact rural Newfoundland, and places with high unemployment.

He said if you look at the structure of the system, it will more likely make sure more people are working in places like St. John's where unemployment is very low.

"There's a lot of disinformation and people are overreacting, I think," he said. "I fail to see how moving somebody from 55 per cent of their earnings before unemployment to 70, 80 or 90 per cent of their earnings before they went on unemployment I fail to see how that hurts individual workers or individual employers."

jmcleod@thetelegram.com

Twitter: TelegramJames