

June 8, 2020

The Honourable Bill Morneau, PC, MP
Minister of Finance
The Honourable Carla Qualtrough, PC, MP
Minister of Employment, Workforce Development
and Disability Inclusion
House of Commons
Ottawa, Ontario
K1A 0A6



Dear Ministers:

I am writing on behalf of the National Union of Public and General Employees (NUPGE). NUPGE represents 390,000 members in 9 provinces.

The federal government decision to introduce new programs for income support and wage subsidy to respond to the large-scale layoffs due to COVID-19 is widely appreciated. Without measures like the Canada Emergency Response Benefit (CERB) and the Canada Emergency Wage Subsidy (CEWS), many laid-off workers would have been left with no income.

We also recognize that the need to get measures in place swiftly meant that it was not possible to spend as much time working out the details of new programs as the government, workers, and other stakeholders would have wished. For that reason, we are pleased that the federal government is holding consultations on the CEWS and is looking into what should be done when the first group of people to receive the CERB reach the 16-week maximum.

It is becoming clear that large numbers of workers in Canada will still be unable to return to work, or in many cases, will be unable to even look for work, when they exhaust their 16 weeks of the CERB. A large proportion of those workers will be ineligible for Employment Insurance under the eligibility requirements that existed prior to March 2020. An additional concern is the need to avoid long delays if people are transferred from one program to another.



For that reason, NUPGE is strongly urging your government to ensure that workers who are reaching the end of their 16 weeks of the CERB continue to receive income support.

If additional weeks of income support are provided through the CERB, we would also ask that the federal government address the fact that workers on the CERB are not allowed to receive top-ups through Supplemental Unemployment Benefit (SUB) plans that they negotiated with their employers. Without top ups from SUB plans, many workers are significantly worse off than they would have been on EI.

The COVID-19 pandemic has made it clear that changes to Employment Insurance (EI) to ease eligibility requirements and increase the benefits it provides cannot wait. The fact that your government felt it necessary to create the CERB is a damning statement on the damage restrictions on coverage and benefits that have been introduced over the years have done. There is also the need to modernize EI to reflect the increase in precarious work. To both repair the damage and reflect the increase in precarious work, eligibility must be widened and benefits improved, particularly for low-income workers.

We would also like to raise a problem that has emerged with the CEWS program that unfairly penalizes workers in public services and enterprises. There are a number of public services and enterprises that receive a large portion of their revenue from sources other than government funding. These sources include fares, ticket sales, and other user fees.

Even though the revenues of many of these public services and enterprises have dropped dramatically, these services are unable to get help through the CEWS. However, similar or identical services provided by non-profit organizations or for-profit businesses do qualify for assistance through the CEWS—even though in many cases they also receive government funding.

It cannot be confirmed until the list of employers receiving assistance from the CEWS is released, but there are reports that among the recipients of the CEWS are companies operating privatized public services, such as transit. If this is correct, it makes the prohibition on public bodies receiving assistance through the CEWS particularly hard to justify.

When public services are privatized, governments are still paying many of the costs and are left picking up the pieces when private companies operating privatized services fail. Yet under the current rules, a privatized transit service can receive help through the CEWS, while a publicly operated transit system cannot.

We hope that this unfair treatment under the CEWS program will be corrected, and that public services and enterprises that have seen revenues drop significantly will be eligible for help through the program,

Sincerely,

A handwritten signature in black ink, appearing to be 'LB', with a long horizontal stroke extending to the right.

Larry Brown
President

cc: Bert Blundon, Secretary-Treasurer
National Executive Board
Pierre Poilievre, Finance Critic, Conservative Party of Canada
Dan Albas, Employment, Workforce Development and Disability
Inclusion Critic, Conservative Party of Canada
Peter Julian, Finance Critic, New Democratic Party of Canada
Daniel Blaikie, Employment, Workforce Development and Disability
Inclusion Critic, New Democratic Party of Canada
Gabriel Ste-Marie, Finance Critic, Bloc Québécois
Louise Chabot, Employment, Workforce Development and Disability
Inclusion Critic, Bloc Québécois
Jo-Ann Roberts, Interim Leader of the Green Party of Canada