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September 15, 2025

**Attention: Ian Foucher**

Office of the Minister, Minister of Finance and National Revenue

**The Honourable Francois-Philippe Champagne**

Minister of Finance and National Revenue

House of Commons

Ottawa, ON K1A 0A6

Dear Minister Champagne:

**RE: Permanent Employment Insurance (EI) reform is critical to economic growth and stability**

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We write to you on behalf of the **Ontario Community Legal Clinics Employment Insurance Working Group**. The EI Working Group consists of caseworkers from over 70 legal clinics across Ontario who help non-unionized, low-wage and precarious workers access EI. The undersigned community legal clinics also endorse this letter.

As your government prepares the Fall Budget, we wish to highlight the concerns of the workers we represent. **Our EI system is broken**. As of May 2025, only 33% of the unemployed in Canada were accessing EI, [with the numbers likely even lower for low-wage workers](#). This rate, part of a long-term historical trend, is abysmally low and is in stark contrast to numbers before the 1990s, when more than 70% of the unemployed were covered by unemployment insurance.

An effective EI system is essential because economic challenges are here to stay. EI plays a critical role as an automatic economic stabilizer by helping workers weather economic storms, be they tariffs, climate emergencies, or shutdowns of major businesses. It provides income replacement so that families can keep food on the table and a roof over their heads. It gives workers time to look for gainful employment rather than the next survival job.

This means that [EI maintains purchasing power, which in turn sustains economic activity and supports communities affected by downturns](#). Research consistently shows that [low-income households spend, rather than save](#), a larger share of income than

higher income households. Making EI reforms that will help all workers, including low-income earners, ensures that the money provided recirculates locally, supporting small businesses and communities by boosting immediate spending on essentials.

The time for permanent, bold and effective EI reform is now. You can achieve this in three ways:

### **1. Make EI sustainable by increasing the Maximum Insurable Earnings (MIE)**

Currently, claimants with earnings above the \$65,700 MIE receive less than 55 per cent of their normal earnings in EI benefits. [The EI Actuarial Report](#) forecasts half of all claimants (48.1 per cent) will have earnings above the MIE in 2026. Your government recognized a similar problem in the context of CPP and effectively addressed it in 2024 by adding a second earnings ceiling.

Increasing the MIE significantly will not only make EI a meaningful support for average and above-average income-earners, but the additional premiums will also provide a net revenue gain for the EI Account, which could fund other needed improvements, such as the two we highlight below.

### **2. Improve access by implementing a universal eligibility threshold of 360 hours (or 12 weeks of work) to access EI**

Millions of people in Canada who work and pay into the EI program cannot access the benefit because they have not worked enough hours to qualify. This is due in large part to high eligibility thresholds that are a barrier in today's labour market, which has seen a dramatic increase in part-time, contract, and precarious jobs. The high barriers to accessing EI disproportionately hurt women (who tend to take on part-time work because of caregiving responsibilities), racialized and Indigenous people, and people with disabilities. Low-wage workers' frequent ineligibility for EI is particularly unfair given that [they contribute a higher proportion of their income to the EI program](#).

A common, cross-Canada qualifying rule for regular and special benefits will improve access and better reflect the realities of today's workforce.

### **3. Ensure adequacy by increasing the income replacement rate to 70% and implementing a benefit floor of \$600**

Even if workers do qualify, the benefit rate (55% of earnings up to a maximum of \$695 per week) is so low that workers cannot support themselves and are

pushed into (or deeper into) poverty. The current 55% replacement rate is a historical low. A part-time, minimum-wage worker can barely survive on their full wages. Surviving on 55% of those wages is impossible.

A benefit floor, like the one introduced during the pandemic, will ensure EI helps the working poor, which disproportionately includes women, racialized and Indigenous people, and people with disabilities. For low income workers, EI may be all that keeps them from homelessness during a period of unemployment.

People who have paid into the EI system should be able to access it to adequately support themselves during periods of unemployment. Piecemeal pilot programs are insufficient and often miss the mark. A sustainable and effective EI system requires permanent, universal reforms. We urge your government to seize the moment and make this happen. A strong EI system will support economic recovery and stability as challenges continue to arise in the future.

Thank you for your attention in this matter. We trust that you will take our recommendations seriously and act to implement them in the forthcoming Fall Budget.

Sincerely,

**Nabila F. Qureshi & Robin Nobleman**

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**Co-Chairs, Ontario Community Legal Clinic EI Working Group**

**Endorsed by:**

Advocacy Centre for Tenants Ontario (ACTO)

Community Advocacy & Legal Centre

Community Legal Clinic of York Region

Community Legal Services of Ottawa

Don Valley Community Legal Services

Downsview Community Legal Services

Downtown Legal Services, University of Toronto

Hamilton Community Legal Clinic

HIV & AIDS Legal Clinic Ontario (HALCO)  
IAVGO Community Legal Clinic  
Jane Finch Community Legal Services  
Mississauga Community Legal Clinic  
Neighbourhood Legal Services (London & Middlesex)  
Northwest Community Legal Clinic  
Parkdale Community Legal Services  
Rexdale Community Legal Clinic  
South Asian Legal Clinic of Ontario (SALCO)  
South Etobicoke Community Legal Services  
Sudbury Community Legal Clinic  
Waterloo Region Community Legal Services  
West Toronto Community Legal Services  
Willowdale Community Legal Services  
Workers' Health and Safety Legal Clinic

cc: Right Hon. Prime Minister Mark Carney  
The Hon. Patty Hajdu, Minister of Jobs and Families and Minister Responsible  
for the Federal Economic Development Agency for Northern Ontario  
The Hon. Shafqat Ali, Chair, Treasury Board  
The Hon. Julie Dabrusin, Member, Treasury Board  
The Hon. Joël Lightbound, Member, Treasury Board  
The Hon. Maninder Sidhu, Member, Treasury Board  
The Hon. Marjorie Michel, Member, Treasury Board  
Miles Wu, Senior Policy Advisor, Office of the Minister, Employment and Social  
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