



The impact of EI generosity on post-claim employment

Lluis, Stéphanie "The impact of EI generosity on post-claim employment" *CRDCN research-policy snapshots*.
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What the researchers did

The researchers analyze two Employment Insurance (EI) initiatives that extended the benefit duration and the allowable earnings criterion for claimants working while on claim. They study the impact of the initiatives on transitions into full-time employment, part-time employment and on job search. They review evidence from the multiple pilots of the Working While on Claim (WWC) program whereby EI claimants can keep a portion of their benefits while working a part-time job, implemented over 2005-2018, to determine if the provisions facilitate a return to permanent and full-time work. They also survey the outcomes of similar provisions in other countries.

What the researchers found

Extending the weeks of EI benefits creates adverse employment effects, but these effects can be tempered if combined with policy changes that incentivize the take-up of part-time jobs to maintain work attachment. WWC provisions can help unemployed Canadians successfully transfer to permanent jobs. But the rules should be improved to consider greater flexibility in the benefits design and new programs should be introduced for those unlikely to benefit from part-time, casual work.

RDC Datasets used

**Labour Force Survey (LFS) –
Employment Insurance Status Vector
(EISV) data**

Policy areas this research can inform

- Government
- Income, pensions, spending and wealth
- Labour

Policy implications of this research

The researchers' analysis highlights the urgency to consider data on the labour market trajectories of all displaced workers and of claimants before and after they exit the EI (not only those who return to EI) to conduct a comprehensive policy evaluation of how well EI changes support transitions to permanent work. WWC provisions could be made more generous during economic downturns. This recommendation is especially timely as the economy recovers from the massive work interruptions of the COVID-19. During economic recessions, there tend to be more part-time jobs available than full-time. To encourage displaced workers to stay connected to the labour market during such times, policymakers should temporarily allow claimants to keep more employment earnings without having their EI benefits reduced.

Read the full article

Lluis, S. and B.P. McCall (2019), "Employment and Job Search Implications of the Extended Weeks and Working While on Claim Pilot Initiatives", DOI: 10.3138/cpp.2018-031

Busby, Colin, Stéphanie Lluis and Brian McCall. 2021. *Transitioning Back to Work: How to Improve EI Working-While-on-Claim Provisions*. IRPP Study 85. Montreal: Institute for Research on Public Policy

