

Legislative Costing Note

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| Announcement Date: | 2021-02-19 | |
| Publication Date: | 2021-03-31 | |
| Short Title: | Increasing the maximum number of EI regular weeks of benefits | |
| Description: | The number of EI regular weeks of benefits will be increased to a maximum of 50 weeks for claims made between September 27, 2020 and September 25, 2021. ¹ | |
| Data Sources: | Variable | Source |
| | The number of regular EI beneficiaries | Statistics Canada Labour Force Survey and PBO's EI forecasting model |
| | The proportion of beneficiaries who will benefit from the extension. | The EI Monitoring and Assessment Reports, Employment and Social Development Canada. |
| | EI average weekly benefit | SPSD/M 28.0, Statistics Canada and PBO's EI forecasting model |
| Estimation and Projection Method: | PBO forecasted three main inputs to this cost estimate: the number of beneficiaries, the number of additional weeks of benefits claimed per beneficiary and the average weekly benefit. | |
| | The number of beneficiaries under this proposal was estimated by multiplying our forecast of the total number of regular EI beneficiaries by the proportion of beneficiaries who had reached their maximum allowable number of weeks of benefits, based on past EI Monitoring and Assessment Reports. | |
| | The average number of additional used weeks of benefits was calculated as the average between the maximum and the minimum number of additional weeks of benefits. | |
| | The average weekly benefit was calculated using SPSPD/M and PBO's EI forecasting model. The earliest eligible claims under the proposal would be made on September 27, 2020. The costs of this proposal are only incurred once status quo benefits are exhausted, so we assume that benefits paid under this proposal begin on April 1, 2021. | |
| Aggregate Results: | PBO estimates the total net cost of the measure to be \$3 billion in 2021-22 and \$1 billion in 2022-23. | |
| Sources of Uncertainty: | The number of regular EI beneficiaries who will benefit from the extension and their duration of benefits are both highly uncertain and depend on labour market conditions. | |
| Prepared by: | Eskandar Elmarzougui <Eskandar.Elmarzougui@parl.gc.ca> | |

¹ See [Government of Canada proposes increase to number of weeks for recovery benefits and EI regular benefits to ensure continued support for Canadians who have been hardest hit - Canada.ca](#)

Cost of proposed measure

| \$ millions | 2021-2022 | 2022-2023 |
|---------------------|-----------|-----------|
| Total cost | 3,128 | 1,144 |
| Personal income tax | -140 | -50 |
| Total net cost | 2,989 | 1,094 |

Notes

- Estimates are presented on an accruals basis as would appear in the budget and public accounts.
- Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.
- "-" = PBO does not expect a financial cost.

