

raised periodically to meet changing economic conditions. However, until recently, the basic structure of the plan remained unaltered.

In 1968, when Parliament approved upward revisions of both contributions and benefit rates and broadened the scope of coverage, the Unemployment Insurance Commission was instructed to investigate the program and to recommend appropriate changes in philosophy and structure. The Unemployment Insurance Act, 1971, effective June 27, 1971, was the result of extensive study; its basic objectives were to provide assistance to cope with interrupted earnings resulting from unemployment, including unemployment from illness, and to co-operate with other agencies engaged in social development.

The 1971 Act extended coverage to all regular members of the labour force (effective January 2, 1972) for whom there exists an employer-employee relationship. The only non-insurable employees are those who earn less than 20% of the maximum weekly insurable earnings or less than 20 times the provincial hourly minimum wage, whichever is less. Coverage, contributions and benefit entitlement cease at age 70.

Employers and employees absorb the cost of initial benefits and administration; the employer rate is 1.4 times the employee rate. The government share is confined to the cost of extended benefits and the excess cost of initial benefits resulting from a national unemployment rate greater than 4%. There is no fund and employer and employee contributions are adjusted yearly. In 1972 the rate of employee contributions was 90 cents per \$100 of insurable earnings or a maximum of \$1.35 per week. The Department of National Revenue, Taxation collects the contributions. Persons formerly not contributing either because of their occupation or by virtue of being over the salary ceiling are paying a preferred rate for the first three years. For those who had been excluded because of their occupation, the preferred rate is portable. However, persons formerly excluded because of the salary ceiling pay the preferred rate only as long as they remain with the employer they were with on January 2, 1972.

Under the new program, the duration of benefit is not determined solely by how long a person has worked. A claimant can draw benefits for a maximum of 51 weeks depending on his employment history and prevailing economic conditions, providing he has contributed for at least eight weeks in the last 52 and he is available, capable and searching for work. Persons with 20 or more weeks of insured earnings (a "major labour force attachment") are eligible for a wider range of benefit that includes a pre-payment of three weeks of regular benefit for work-shortage lay-offs, benefit payments when the interruption in earnings is caused by illness or pregnancy, and three weeks retirement benefit for older workers.

Sickness benefit is available for a maximum of 15 weeks for persons with a major labour force attachment whose earnings are interrupted by illness, injury or quarantine (excluding workmen's compensation). If a person is taken ill while on regular claim, sickness benefit is available but the combined duration of benefits during the initial benefit period cannot exceed 15 weeks.

Maternity benefit is available for eight weeks before confinement, the week of confinement and six weeks after, to women who have had a major labour force attachment. They must also have been part of the labour force at least ten of the 20 weeks prior to the 30th week before the expected date of confinement.

Retirement benefit, available for three weeks, is paid in a lump sum to claimants with a major labour force attachment who are 65-70 years of age and who have signified they have left the labour force by applying for the Canada Pension Plan or the Quebec Pension Plan, and to persons over 70 years of age. Those over 70 must apply within 32 weeks of their 70th birthday as employment weeks are no longer earned after that time. The benefit is paid without a waiting period and without regard to earnings or availability.

The benefit rate for all claims will be two thirds of average insured earnings in the qualifying period to a maximum of \$100 per week and with a minimum of \$20 per week. For claimants with dependants and whose average qualifying earnings are equal to or less than one third of the maximum weekly insurable earnings, the benefit rate is 75%. During later stages of benefit all claimants with dependants draw benefit at 75% of qualifying earnings subject to the \$100 maximum. In 1973 and future years, the maximum insurable earnings and, therefore, the maximum benefit are subject to adjustment based on an index calculated from earnings of Canadian employees.