

basis. A federal government grant of 20% of the employer/employee contribution made up the balance and paid the administration cost. In 1972 the financing was significantly changed. Premiums paid by employees and employers (in a ratio of 1:1.40) paid initial benefits up to a national unemployment rate of 4%, the cost of sickness, maternity and retirement benefits, and of administration. The government paid the cost of initial benefits over a 4% national unemployment rate and the total cost of extended benefits. In 1977 and 1978, revisions to the act transferred a portion of extended benefits to employee and employer premium costs and increased the level over which the government paid the costs of initial benefits. By 1978, the government's share of the program was \$2,264 million; the employer/employee share was \$2,505 million. In 1978 employees and employers were still paying substantial premiums, with employers paying as much as \$260 a year for each worker. These premiums financed about 60% of the \$4.5 billion program; the remainder was paid by the federal government. Over the years, the rules for eligibility became more suited to a changing labour market. The new variable entrance requirement introduced in 1977 made workers eligible for regular UI by working 10 to 14 weeks in the last 52, the exact number depending on the unemployment rate where they lived.

Money earned by claimants on regular UI was deducted from their cheques if it was over 25% of their weekly benefit. A person receiving \$110 a week, which was the average weekly benefit in 1978, could earn 25% of \$110 without financial penalty. In contrast, claimants on illness or maternity benefits had earnings deducted dollar for dollar. Sick leave collected after the two-week waiting period was also deducted. Benefits were not received for the first two weeks after UI accepted a claim.

Further amendments came in December 1978. One goal of the new legislation was to reduce disincentives to work. In January 1978, the benefit rate dropped from 66% to 60% of weekly insurable earnings. As a result, the maximum weekly benefit was \$159 in 1979, compared to the \$177 previously scheduled for 1979.

To be insurable by UI, hourly paid and salaried workers had to be employed for at least 20 hours a week in 1979. In 1978, before the amendments, required earnings were only \$48 a week. Other workers, such as those paid on commission or by piece-work, had to earn at least \$79.50 a week in 1979 to be insurable.

Starting in mid-1979, longer work periods were required for some claimants to receive regular benefits. New members of the labour force and those who re-entered the labour market after an absence of a year or more had to work 20 weeks in the last 52 to be eligible for UI. In addition, claimants who had already collected all the benefits they

More than 800,000 persons in Canada collected unemployment insurance in 1978, receiving over \$4.5 billion in benefits.

were entitled to that year and who filed another claim had to work up to six weeks longer than for their first claim. The number of weeks depended on the duration of the first UI payment period. This new repeater provision did not apply to people living in regions where the unemployment rate was over 11.5%. For other claimants, the number of weeks of work required to be eligible for UI remained at 10 to 14 weeks.

In 1977, Parliament granted permission for developmental uses of UI funds, to help claimants make better use of their time while on UI, through training, work sharing, job creation and job experience training (JET).

From March 1978 to March 1979, 281,317 people took part in Canada manpower training programs. Of these, 76,830 were paid UI benefits. In the first job creation pilot project, launched in March 1979, UI claimants worked for government tourist services in New Brunswick.

Beginning in late 1977, UI funds were used to keep people working instead of being laid off. As of March 31, 1979, UI had tested 22 work-sharing pilot projects, involving about 3,000 people. Under the work-sharing scheme, when a company faced an