



Associated
Designers of
Canada

MODERNIZING EI FOR GIG / SELF-EMPLOYED WORKERS

As a coalition of Canada's entertainment unions, representing performers, musicians, designers, and behind-the-scenes artisans and technicians, we would like to express our gratitude for the Government of Canada's efforts to support our industry and the people who work within it. Our coalition is comprised of the IATSE, Canadian Actors' Equity Association, the Canadian Federation of Musicians, and the Associated Designers of Canada. We represent over 50,000 workers across the entertainment industry.

The Government of Canada is currently working on a modernization of the EI program. Aside from some exceptions in the film industry, the vast majority of technicians are classified as employees and are therefore captured under the current program, but we are all united in our request that EI be expanded to include the self-employed - so that it would also fully cover performers, musicians, and live performance designers.

The overwhelming majority of actors, musicians, and live performance designers are self-employed contractors. This status is important for these workers, who are typically not high-income earners. A vital part of the self-employed status is the ability to claim a plethora of legitimate deductions at tax time. The costs of musical instruments, maintenance/repair, travel, hotel, and wardrobe are significant. If these workers were designated as employees, and therefore unable to claim expenses, they would not likely be able to remain in their chosen professions.

Currently, Employment Insurance (EI) offers self-employed workers the ability to opt-in only to a partial system: participants can contribute to EI Special Benefits (i.e. maternity, parental, sickness & compassionate care), but are unable to contribute to—and therefore ineligible for—EI Regular Benefits. In a prescient 2010 report for the Cultural Human Resources Council, Gary Neil wrote that the introduction of Special Benefits for self-employed individuals was unlikely to be a panacea for artists, and stated,

"The EI special benefits program for self-employed people will not solve a significant problem, and an inequitable situation, for many artists. If an artist is employed and also receives self-employed income from their art, they will remain ineligible to collect regular EI benefits. For example, if the writer is also a full time teacher and is laid off from their teaching job, that person would not be entitled to collect EI benefits while they are searching for another teaching position. While they may have paid into the EI fund for many years, their business income renders them ineligible to collect regular benefits."

Take-up on the Special Benefits provision has been extremely limited, as there are additional drawbacks. For instance, in order to collect EI during maternity leave, an individual is required to pay into the system for their entire working life, yet is ineligible for any other benefit, ever.

Not allowing self-employed workers to participate fully in the EI program puts gig workers at a disadvantage. As gig and self-employed workers become a larger part of the workforce, the EI program must also evolve to accommodate them so that they can contribute to and receive the full benefits

available to traditional employees through EI Regular Benefits. Those who choose not to opt in and contribute would be ineligible for benefits.

Performers, musicians, and live performance designers, like many other gig workers, are contracted in unique ways that may not align with the existing EI structure, but which will have to be accommodated. The existing Fisher benefits provide a useful model that could be adapted and expanded to suit the sector. Many arts workers are not contracted on an hourly or weekly basis but are paid flat fees per contract, regardless of the length of the contract. These contracts can include defined residency periods when the worker is obligated to the employer. For these workers, calculation of EI eligibility could be established based on contract residency duration. The rate of EI benefits should be established based on eligible earnings within a prescribed period or cumulative contract periods.

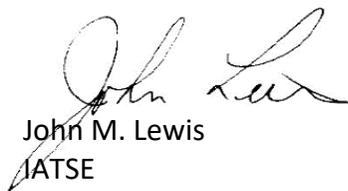
Depending on their craft, arts workers are often contracted months, or even years, in advance. This does not mean they begin work immediately, and they may still encounter significant gaps in employment between contracts. A revised EI system must allow for workers to be eligible for benefits during these gaps in employment, even if they have signed a contract for future work. Equally, workers should not be penalized for small gaps in between contract residencies (but which are not sufficient to be unemployment).

Arts workers, like Fishers, should be eligible to receive up to 26 weeks of EI benefit per period of unemployment. Some receive royalty or residual payments for work completed, often months or years later. The receipt of any royalty payments should not affect a worker's EI eligibility or benefits.

An update to EI will require a transition period, under which all workers can receive benefits (or where some sort of income was still paid to those in need), regardless of their contributions. This would be a temporary measure, until the industry has been open for long enough that workers have been able to fully contribute for a year. All self-employed workers are already responsible to pay both employee & employer CPP contributions. If a revised EI program requires workers to make both the full employee and employer EI contributions, it will be financially debilitating, especially for arts workers who are already not well paid.

We are grateful to the Government of Canada for all your efforts and thank you for your consideration. We would welcome the opportunity for further discussion.

Sincerely,



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