

Monitoring Report on EI Receipt by Reason for Job Separation

Final Report

*Evaluation and Data Development
Strategic Policy
Human Resources Development Canada*

May 2003

**SP-ML-018-05-03E
(également disponible en français)**

Paper

ISBN: 0-662-36174-1

Cat. No.: HS3-2/018-05-03E

PDF

ISBN: 0-662-36168-7

Cat. No.: HS3-2/018-05-03E-PDF

HTML

ISBN: 0-662-36169-5

Cat. No.: HS3-2/018-05-03E-HTML

Table of Contents

Executive Summary	i
Data and Methodology.....	i
Main Findings	ii
Management Response	v
Introduction.....	1
Data and Methodology	3
Overview of the Reasons for Job Separation	5
Detailed Analysis of Six Reasons for Job Separation	9
Layoffs	9
Return to School	12
Injury or Illness.....	14
Quits.....	17
Dismissal.....	22
Pregnancy or Parental Reasons.....	25
Conclusions.....	29

List of Tables

Table 1	EI Receipt Rates by Reason for Job Separation (%).....	5
Table 2	Regression - EI Receipt for All Reasons for Job Separation	7
Table 3	Layoffs - Distribution of EI Recipients (%).....	9
Table 4	Regression - EI Receipt of Those Laid Off.....	11
Table 5	Return to School - Distribution of EI Recipients (%).....	13
Table 6	Regression - EI Receipt of Those Returning to School	14
Table 7	Injury or Illness - Distribution of EI Recipients (%)	15
Table 8	Regression - EI Receipt of Those Injured or Ill	16
Table 9	Quits - Distribution of EI Recipients (%)	18
Table 10	Regression - EI Receipt of Those Quitting	20
Table 11	Regression (Quits) - Areas with Human Resources Centres (HRCs).....	21
Table 12	Dismissed - Distribution of EI Recipients (%)	23
Table 13	Regression - EI Receipt of Those Dismissed.....	24
Table 14	Regression (Dismissals) - Areas with Human Resources Centres (HRCs) ...	25
Table 15	Pregnancy or Parental - Distribution of EI Recipients (%).....	26
Table 16	Regression - EI Receipt of Those Pregnant or Parental.....	27

Executive Summary

Evaluation of the Employment Insurance (EI) system must include consideration of EI benefit accessibility. For the past three years, reports have examined the rate at which EI benefits are collected. Last year, a report took a closer look at the reasons for the non-receipt of EI.

The current report considers the accessibility issue from another perspective by examining the relationship between the receipt of EI and the reason for job separation. Specifically, this report:

- Provides an overview of the reasons for job separation and examines EI receipt and eligibility rates for each reason; and
- Provides a more detailed analysis of the six main reasons for job separation (layoffs, return to school, injury or illness, quits, dismissals, and pregnancy or parental) and includes a discussion of the rules surrounding each reason as well as the expected impact on the receipt of EI.

Data and Methodology

This study uses data from the Canadian Out-of-Employment (COEP) survey and EI administrative data from the Record of Employment (ROE) database and Status Vector (SV). Information on the reason for job separation is reported by the employer on the ROE form and is also collected from the former employee by the COEP survey. Although the COEP survey question provides responses similar to the reasons reported on the ROE, the information is not always identical. Therefore, most of the analysis presented in this report uses the reason for job separation that was indicated on the ROE form, as the administration of EI is reliant upon the ROE reason for job separation.

The analysis in this report focuses on the most recent COEP survey respondents (i.e., workers who had a change or interruption in their employment activity at some time during the period from October 2000 to September 2001). The analysis also compares COEP data for this most recent period with COEP data for the periods immediately preceding the 1996 EI reforms (1995Q3 - 1996Q2) and following the 1996 EI reforms (1997Q1 - 1997Q4). In the case of two of the reasons for job separation (quits and dismissals), the analysis also uses the ROE and SV data to examine the possibility of a “regional” effect due to Human Resource Centre (HRC) managers.

Main Findings

The overview analysis indicated that a layoff was the reason for job separation for more than half (58.6 percent) of all COEP survey respondents in the most recent period (2000Q4 – 2001Q3) who received EI. The next largest category was pregnancy or parental reasons (10.5 percent).

Comparing EI receipt rates by reason for job separation indicated that individuals listed as returning to school, taking a leave of absence, quitting or retiring were less likely to collect EI than those laid off. Workers leaving a job for pregnancy or parental reasons were more likely to collect EI than laid-off workers.

The detailed analysis of the six main reasons for job separation indicated considerable differences by gender, age, family type and region. For example:

- Males accounted for almost two-thirds (64.3 percent) of those laid off, 60.5 percent of those who quit, and 58.6 percent of those dismissed but accounted for only 54.7 percent of all EI recipients;
- Females accounted for 90.7 percent of EI recipients who left a job for pregnancy or parental reasons, 61.6 percent of those who left a job due to injury or illness, and also 61.6% of those returning to school, but accounted for only 45.2 percent of all EI recipients;
- Youths (15-24 years of age) accounted for 44.9 percent of EI recipients with “return to school” recorded on their ROE, 19.1 percent of those dismissed, and 17.8 percent of those who quit their jobs, but accounted for only 12.4 percent of all EI recipients;
- Single individuals without children accounted for 43.3 percent of EI recipients who quit their jobs, compared with 27.8 percent of all EI recipients;
- Single individuals with children accounted for 23.6 percent of those dismissed, 13.1 percent of those who were out of a job for pregnancy or parental reasons, and 9.2 percent of those who quit, but accounted for only 8.5 percent of all EI recipients; and
- Individuals in rural areas accounted for more than one-quarter (25.1 percent) of EI recipients who were laid off and only 3.2 percent of those with “return to school” recorded on their ROE form, but accounted for 19.2 percent of all EI recipients.

In the case of EI receipt rates, the detailed analysis for the six main reasons for job separation indicated that:

- Youths were less likely to collect EI than the prime age group (25-54 years of age) when the reason for job separation was a layoff or a return to school. Also, they were less likely to collect EI than the prime age male group when the reason for job separation was either quitting or dismissal.

- Seasonal workers were less likely than non-seasonal workers to collect EI if the reason for job separation was a layoff or a return to school.
- The longer the consecutive weeks of unemployment, the more likely a person was to collect EI when the reason for job separation was a layoff.
- A higher unemployment rate led to a lower EI receipt rate when the reason for job separation was pregnancy or parental reasons.
- For the most recent period, EI receipt rates were lower for those who were laid off, returned to school or quitting, compared with the EI receipt rate for these categories during the post-EI reform period.
- A substantial portion of those who quit receive EI due to mitigating circumstances. This is higher for those who are dismissed. There is some evidence to suggest that Human Resource Centre (HRC) managers in different parts of Canada varied in how they approved EI claims for individuals quitting their jobs. This is more noticeable in the case of dismissals, where EI receipt rates vary more widely.
- In some cases the accuracy of the reason for job loss may be an issue. Comparisons of the responses given on the COEP survey and the ROE form showed large discrepancies in such categories as dismissals and return to school. The greatest area of agreement was for maternity.

Management Response

In April 2000 the Insurance Branch implemented as part of its yearly action plan a comprehensive quality management strategy to improve the quality of decisions affecting benefit payments. Various initiatives and studies have since been done.

In November 2001 a policy on documentation and fact-finding for adjudication of Employment Insurance (EI) claims was implemented nationally. The objective of this policy is to ensure that documentation on EI claim files conforms to the standards of administrative law, and the requirements of the EI Act and Regulations. It also recognizes that good documentation supports the quality criteria established in the National Quality Management Policy to improve timeliness, accuracy, and clarity of communication, fairness and client satisfaction.

In April 2002, an interactive on-line fact-finding process within Appli Web (application for EI on-line), was introduced as part of the Government On-Line initiative. This process which is currently being expanded will ensure consistency in fact-finding thereby reducing variances in decision making across the country. As well, HRDC is promoting on-line applications as the preferred channel for accessing EI. As more claims are received through the Internet, the consistency of fact-finding and decisions should continue to improve.

On April 1, 2003, the Commission introduced a National Policy of Levels of Adjudication which set levels of responsibilities under which decisions can be made. The policy ensures consistency in the decisions by ensuring adherence to the proper level of authority. A first level decision is one with straightforward elements that can only lead to one readily apparent conclusion. A national study undertaken in the second quarter of 2003 by Insurance Quality Services concluded that agents are adhering to this policy in the majority of cases.

Internal Audit and Risk Management Services (IARMS) conducted, as part of its 2002-2003 Resource Utilization Plan, an audit of entitlement to EI benefits. The final draft report indicates that in the opinion of the auditors, “activities related to entitlement to EI benefit are well managed and the national quality management initiative and the strategic direction for improving the quality of decisions and benefit payment are contributing to the quality of this process”.

I would like to stress that the survey period used in the analysis covered 2000 and 2001. Since that time, the Insurance Branch has actively pursued different avenues to ensure consistency – standardization in both the process and the policies that lead to decisions regarding EI claims. The initiatives implemented since 2000 have resulted in consistency of decisions continuing to improve.

For example, in 2001-02, the overall accuracy rate was 94.41%. The target is 95%. By the end of 2002-03, the accuracy rate had risen to 95.5%, an improvement of 1.09%, which translates into \$120M in savings (benefits not improperly paid). And in the first three months of 2003-04, the accuracy rate continues to exceed 95%.

We anticipate that the advancement of automated claims processing (ACP), web-based adjudication tools and services to clients and employers will enable this upward trend to continue.

Introduction

Any overall assessment of the Employment Insurance (EI) system must include extensive analysis of EI benefit accessibility. For the past three years, reports have been prepared to examine the rate at which EI benefits are collected. Last year, the report took a closer look at the reasons for the non-receipt of EI. The primary intent was to examine the immediate and long-term impacts of EI reform.

The current report considers the accessibility issue from another perspective by examining the relationship between the receipt of EI and the reason for job separation. This perspective provides insight into the operational dimension of EI.

The reason for job separation is indicated on the Record of Employment (ROE) form that must be completed by the employer when an employee stops working for that employer. The reason for separation recorded on the ROE form is used to help determine who is qualified to receive EI benefits. For example, if the reason is dismissal, the individual who was dismissed will not qualify for EI unless there are some mitigating circumstances.

The first part of this report discusses the data and methodology used to conduct the analysis. The second part provides an overview of the reasons for job separation and examines EI receipt and eligibility rates for each reason. The third part provides a more detailed analysis of the six main reasons for job separation and includes a discussion of the rules surrounding each reason as well as the expected rate of receipt of EI. In cases where the receipt of EI is significantly different, further analysis attempts to explain the variation.

Data and Methodology

The receipt of Employment Insurance (EI) by reason for job separation is examined in this report using data from the COEP survey, the Record of Employment (ROE) database and the Status Vector (SV).

The COEP survey is conducted by Statistics Canada for Strategic Evaluations at Human Resources Development Canada (HRDC). The survey interviews samples of individuals who had a job separation during specified reference periods. The first interview (wave 1) occurs within a year of the job separation and the second interview (wave 2) is conducted about nine months after the first interview. Information collected by the COEP survey includes background demographics on the individual and household, reason for job separation, receipt of EI benefits, information on job search activities and outcomes, income, assets and debts, expenditures, and training.

For the period from October 2000 to September 2001, a total of 14,567 Canadians who had a change or an interruption in their employment activity were surveyed by the COEP survey. The analysis presented in this report compares this most recent period with the periods immediately preceding and following the 1996 EI reforms by grouping the (quarterly) cohorts of COEP data into the following periods:

- Pre-EI Reform (cohorts 1 to 4): Participants for these interviews had a job separation in one of the four quarters (1995Q3 - 1996Q2) prior to EI reform;
- Post-EI Reform (cohorts 7 to 10): Participants for these interviews had a job separation in one of the four quarters (1997Q1 - 1997Q4) after EI reform; and
- Most Recent (cohorts 22 to 25): Participants for these interviews had a job separation in one of the four quarters from 2000Q4 to 2001Q3.

The pre-EI reform period is compared to the post-EI reform period as a means of determining the changes associated with EI reform. No analysis is done on the period during EI reform (1996Q3 - 1996Q4) because the implementation of EI reform was not complete and the analysis would be quite complex. In addition to comparing the pre- and post-EI reform periods, the most recent period (2000Q4 to 2001Q3) is compared to these previous two periods as a measure of the longer-run effects of EI reform.

The analysis presented in this report also uses administrative data from the ROE database in conjunction with SV data to help build a database for different Human Resource Centres (HRCs) in Canada. An ROE is a registered document employers must complete and provide to each employee who stops working for them. The completed ROE indicates how long the employee worked for the employer, how many hours the employee worked, the amount of insured earnings, and why the employee is no longer working for the employer. The ROE is the key form in establishing an EI claim and is used to determine if a person can qualify for EI benefits, how much the benefits will be and how long the benefits can be paid.

The SV file is a derivative of HRDC's 'Benefits and Overpayments' (BNOP) file, which is used to administer EI claims and pay benefits. The BNOP file contains information from the claimant's application for EI benefits, the claimant's bi-weekly report cards, and administrative decisions made by the Commission on the claimant's eligibility. Types of data on the BNOP file include:

- characteristics of the claimant;
- benefit rates and claim durations; and
- a week-by-week account of claimant activity during the life of the claim.

In this report, SV data is used along with ROE data to analyze the effect of regional HRC managers on EI receipt rates in the case of persons who quit their jobs or were dismissed. This "regional" effect is determined only for quits and the dismissals because these two reasons for job separation offer an HRC manager more discretion in allocating EI benefits.

Using these data sources, this report takes a close look at each reason for job separation listed on the ROE form. Claimant characteristics and EI receipt rates are also examined using statistical analysis and (probit model) estimation techniques.

Overview of the Reasons for Job Separation

Eleven unique reasons for job separation are captured on the ROE form. Table 1 uses data on the most recent COEP survey respondents to examine the distribution of EI recipients, receipt rates and eligibility by the reason for job separation.

Table 1						
EI Receipt Rates by Reason for Job Separation (%)						
Reason for Job Separation	All	Share of EI Recipients		Collected EI		Eligibility
	Reason Reported on ROE Form	COEP Survey Question	Reason Reported on ROE Form	Within 5 weeks of job loss	Weeks of unemp. > 1	Enough Hours to Qualify
Layoff	39.1	54.9	58.6	45.6	50.4	77.3
Strike or Lockout	0.1	0.1	0.2	n/a	n/a	n/a
Return to School	3.6	1.8	0.4	3.7	4.7	59.4
Injury or Illness	4.2	8.2	8.1	58.9	59.3	87.1
Quit	27.2	5.7	5.0	5.6	9.4	64.3
Pregnancy or Parental	3.9	10.9	10.5	82.2	83.3	92.3
Retirement	0.7	0.6	0.4	15.0	16.2	95.0
Work Sharing	0.6	–	1.7	84.5	75.8	94.5
Apprentice Training	0.6	–	1.3	70.7	70.1	95.7
Dismissal	5.3	2.1	3.6	21.0	27.2	52.0
Leave of Absence	0.4	–	0.1	5.0	5.4	71.1
Other	14.3	15.6	10.1	21.4	29.1	72.6

Sample Size = 14,567
 Source: COEP Survey 2000Q4 - 2001Q3.
 Note: All figures are weighted.
 COEP question does not include Work Sharing, Apprentice Training or Leave of Absence.
 n/a indicates less than 30 observations.

Almost two-thirds of all reasons for job loss are the result of a layoff or someone quitting. However, while individuals who quit comprise 27.2 percent of all reasons for job loss, individuals who quit *and* collect EI comprise only 5.7 percent of all EI recipients. In Table 1, a higher percentage in column 3 (as compared to column 1) indicates that EI rules are more favourable for that particular job loss reason than for reasons where column 1 has a higher percentage.

Comparing columns 2 and 3 of Table 1 indicates that the COEP survey question regarding the reason for job separation provides results that are reasonably similar to the reasons reported on the ROE form. The COEP survey question excludes work sharing, apprentice training and leave of absence as possible reasons for job separation. Although the results from the two data sources are similar, the correlation between the ROE reason and the reason given on the COEP survey is not 100 percent. The fact that individuals respond to the COEP survey whereas employers supply the results from the ROE form is one reason for this discrepancy. There may also be some degree of survey recall bias in the COEP survey, as respondents are questioned 9-12 months after job loss. Also, the incentives for an employer to complete the ROE form in a particular way may also be contributing to the discrepancy. An employer and an employee may agree to report the employee as being laid off, when in fact the reason for job separation is not a layoff. This is advantageous to the employee, as collecting EI by reason of a layoff is easier than by reason of a dismissal or quitting. Most of the analysis presented in this report is based on the reason for job separation that was stated on the ROE form.

Table 1 shows that layoffs are the reason for job separation for more than half (58.6 percent) of all EI recipients. This reason for job separation is examined in more detail in the next part of this report. Other reasons to be examined in more detail include return to school, injury or illness, quits, dismissals, and pregnancy or parental reasons. The rest of the reasons are not examined in more detail in this report because, aside from the “Other” category, they account for only 3.7 percent of all EI recipients.

Table 1 also shows that EI receipt rates are roughly in line with expectations. For example, the highest EI receipt rates occur for individuals collecting EI due to pregnancy or parental reasons, apprentice training and work sharing. The lowest EI receipt rates occur for individuals leaving their job to return to school or quitting. According to the definition of EI eligibility, job leavers in these two categories should not be able to collect EI because leaving a job for either of these two reasons constitutes a voluntary job separation. However, as discussed in the next part of this report, there are certain circumstances that can enable individuals in these two categories to collect EI. Special circumstances can also apply in the case of a dismissal.

The fifth column of Table 1 indicates that EI receipt rates increase as the number of consecutive weeks of unemployment increase (except in the cases of work sharing and apprentice training)¹.

The last column of Table 1 provides the eligibility rates, which are based on having an adequate number of hours to qualify for EI benefits in the given economic region. Those employees leaving jobs due to apprentice training, retirement, work sharing or for pregnancy or parental reasons have the highest EI eligibility rates. Those leaving jobs because of a dismissal, a return to school, or quitting have the lowest EI eligibility rates.

¹ This result may be due to small sample sizes, but an exact explanation is not available at this moment.

Table 2 shows the results from a statistical estimation (using a probit model) of the probability that a worker receives EI after a job separation. The independent variables include the different reasons for job separation as well as an EI reform variable for each job separation reason. The first column shows the estimated difference in the probability of receiving EI benefits for each reason for job separation compared with being laid off (layoffs are used as the control group for the purpose of estimating the probabilities of receiving EI in the case of each of the other reasons for job separation). *P* values are used to test for the significance of the results, and these values are shown in column two. Any *P* value less than 0.100 is considered to be significant for this analysis and the other statistical estimations presented in this report. Table 2 and all other statistical estimations in this report provide 90 percent confidence intervals.

Table 2								
Regression - EI Receipt for All Reasons for Job Separation								
Dependent Variable: Collected EI	Reason				EI Reform			
	% diff.	P value	90% C.I.		% diff.	P value	90% C.I.	
Layoff	–	–	–	–	1.7	0.295	-1.0	4.4
Strike or Lockout	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Return to School	-53.8	0.000	-58.1	-49.4	7.8	0.404	-7.1	22.8
Injury or Illness	-7.0	0.254	-17.3	3.2	4.9	0.523	-7.6	17.4
Quit	-41.8	0.000	-47.3	-36.2	0.5	0.932	-8.6	9.6
Pregnancy or Parental	11.6	0.045	2.6	20.5	6.9	0.378	-5.7	19.5
Retirement	-40.8	0.000	-51.7	-29.9	-22.0	0.113	-43.8	-0.2
Work Sharing	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Apprentice Training	0.9	0.956	-26.7	28.5	22.0	0.198	-1.0	45.0
Dismissal	-8.0	0.237	-19.2	3.2	1.0	0.911	-14.1	16.1
Leave of Absence	-49.9	0.000	-57.7	-42.0	30.8	0.057	14.0	47.7
Other	-11.6	0.000	-16.8	-6.4	-9.3	0.028	-16.3	-2.3
Sample Size = 16,454 Source: COEP Survey 1995Q3 - 1996Q2 and 1997Q1 - 1997Q4. Restrictions: Enough hours to qualify & at least 2 consecutive weeks of unemployment. Note: All figures are weighted. n/a indicates less than 30 observations.								

The first set of results shown in Table 2 indicate that those returning to school, taking a leave of absence, quitting or retiring are far less likely to collect EI than those laid off. Workers leaving a job for pregnancy or parental reasons are more likely to collect EI than laid-off workers.

The second set of results shown in Table 2 (columns 5-8) give the probability that a displaced worker will collect EI after EI reform as compared to the pre-EI reform period. The analysis shows that those leaving their job due to a leave of absence are far more likely to collect EI after EI reform. The “Other” category also shows a significant change, although this finding is difficult to interpret given the general nature of the category.

Detailed Analysis of Six Reasons for Job Separation

This section provides an in-depth analysis of the six major reasons for job separation: layoffs, return to school, injury or illness, quits, dismissals, and pregnancy or parental reasons.

Layoffs

Table 3 examines COEP survey respondents for the most recent period (2000Q4 - 2001Q3) who, according to their ROE form, were laid off.

Table 3					
Layoffs - Distribution of EI Recipients					
(%)					
	Share	Share of EI Recipients		Collected EI	
	All Job Loss Reasons	All Job Loss Reasons	Layoffs	Within 5 weeks of job loss	Weeks of unemp. > 1
Gender					
Male	54.0	54.7	64.3	45.6	50.4
Female	45.8	45.2	35.7	45.7	50.3
Area Type					
Rural	14.9	19.2	25.1	49.4	54.2
Urban	85.1	80.8	74.9	44.5	49.2
Age					
Youth (15-24)	27.9	12.4	11.2	31.1	33.5
Prime (25-54)	63.0	76.8	76.6	49.0	54.5
Older (55 and over)	9.1	10.8	12.2	45.3	50.2
Family Type					
Single with Children	10.9	8.5	6.6	37.3	42.8
Single without Children	38.7	27.8	29.8	41.7	46.1
Married with Children	25.6	34.7	30.4	49.0	54.2
Married without Children	24.3	28.7	32.9	48.9	53.5
Region					
Atlantic	9.2	13.1	16.7	54.4	57.7
Quebec	26.9	31.8	34.7	51.8	55.1
Ontario	35.3	29.9	26.3	39.7	45.4
Prairies	16.8	12.7	10.3	37.1	42.6
British Columbia	11.7	12.5	12.0	43.6	48.9
Type of Worker					
Seasonal	14.3	14.8	23.6	45.1	48.2
Non-Seasonal	85.7	85.2	76.4	45.8	51.1
Sample Size (only layoffs) = 9,262					
Source: COEP Survey 2000Q4 - 2001Q3.					
Note: All figures are weighted.					

Table 3 shows that males account for almost two-thirds (64.3 percent) of EI recipients who were laid off. This is due mainly to the higher percentage of males employed in primary, manufacturing and construction industries where many layoffs occur. Table 3 also indicates a quarter (25.1 percent) of EI recipients who were laid off came from rural areas, compared with about one-fifth (19.2 percent) of EI recipients in the case of all reasons for job separation. Also, 23.6 percent of laid-off EI recipients were seasonal workers, while seasonal workers accounted for only 14.8 percent of all EI recipients.

There is little difference in EI receipt rates for laid-off males and females. Also, Table 3 shows little difference in EI receipt rates for seasonal and non-seasonal workers who were laid off.

Comparing age groups, however, indicates that the EI receipt rate is lower for youths who were laid off than for workers in the prime or older categories who were laid off.

The EI receipt rate is also lower for laid-off workers who are single, compared to those who are married. The presence of children appears to have little effect on EI receipt rates in the case of married individuals. However, the EI receipt rate is relatively low in the case of single parents. One possible explanation for this is that a single parent cannot afford to stay out of employment, as EI benefits may not be enough to cover the cost of living and raising a family.

The EI receipt rate is higher for workers laid off in the Atlantic Provinces and Quebec than for those laid off in other regions.

Table 4 provides the (probit model) estimation results for COEP survey respondents who were laid off. These results show that workers laid off in primary, manufacturing, construction or government industries are all less likely to collect EI than those laid off in service industries. Laid off employees in smaller firms are more likely to collect EI than those laid off in firms of more than 500 employees. Youths are less likely to collect EI than prime age workers, and this is a result that holds true for many of the reasons for job separation examined in this section of the report.

Not surprisingly, the longer the consecutive weeks of unemployment, the more likely a person is to collect EI. At the same time, Table 4 shows that seasonal workers are slightly less likely to collect EI than non-seasonal workers. Employees who are laid off temporarily are more likely to collect EI than those who are laid off permanently. This could be because a temporary layoff does not induce a person to search for new employment to the same extent as a permanent lay off. Another interesting result is that employees receiving notice of a layoff are found to be more likely to collect EI than those not receiving notice. It might be expected that the advance notice would enable new job searches to occur earlier than they otherwise would, leading to quicker re-employment. However, given that the type of people receiving notice of a layoff is not random (i.e. long tenured, older workers with families treated differently than newer, younger workers with no families), this apparent paradox is not that surprising.

Finally, the results shown in Table 4 indicate that individuals laid off in the most recent period are less likely to collect EI than those laid off during the post-EI reform period, although this analysis provides no information to indicate why this is the case.

Table 4						
Regression - EI Receipt of Those Laid Off						
Dependent Variable: Collected EI	% diff.	P value	90% C.I.		Sample Mean	EI Receipt Rate (%)
Industry						
Primary	-5.9	0.008	-9.7	-2.2	0.114	63.9
Manufacturing	-3.6	0.035	-6.5	-0.8	0.165	67.1
Construction	-5.4	0.003	-8.4	-2.4	0.167	62.9
Service	—	—	—	—	0.500	58.9
Government	-12.6	0.000	-18.2	-7.1	0.045	67.9
Firm Size						
Less than 20 employees	7.6	0.047	1.7	13.5	0.024	66.8
20-99 employees	5.1	0.096	0.2	10.0	0.048	66.3
100-499 employees	3.3	0.203	-0.9	7.5	0.066	64.1
More than 500 employees	—	—	—	—	0.189	61.3
Unknown	6.5	0.000	3.8	9.1	0.674	67.5
Age						
Youth (15-24)	-13.1	0.000	-16.4	-9.9	0.134	53.5
Prime (25-54)	—	—	—	—	0.762	67.9
Older (55 and over)	0.2	0.927	-3.1	3.5	0.104	68.3
Job Characteristics						
Temporary Layoff	8.3	0.000	6.1	10.5	0.532	69.9
Seasonal	-3.2	0.032	-5.6	-0.7	0.305	66.2
Received Layoff Notice	4.8	0.000	2.8	6.9	0.421	69.1
Received Severance Pay	0.4	0.739	-1.8	2.6	0.302	65.5
Weeks on ROE Job	0.0	0.187	0.0	0.0	200.433	n/a
Average Weekly Hours	0.0	0.584	0.0	0.1	43.795	n/a
Unemployment						
Consecutive Weeks	0.1	0.000	0.1	0.1	29.123	n/a
Rate	0.0	0.898	-0.2	0.2	11.477	n/a
EI Reform	-2.0	0.200	-4.6	0.6	0.318	67.4
Change Since EI reform	-6.2	0.000	-8.7	-3.8	0.332	62.9
Sample Size (only layoffs) = 16,447, obtained by restricting to those with enough hours to qualify & at least 2 consecutive weeks of unemployment. Results based on weighted probit regression.						
Source: Three years of the COEP Survey: 1995Q3 - 1996Q2 and 1997Q1 - 1997Q4 and 2000Q4 - 2001Q3. EI Reform effect based on comparing 1995Q3 - 1996Q2 with 1997Q1 - 1997Q4. The change since EI reform is based on comparing 2000Q4 - 2001Q3 with 1997Q1 - 1997Q4.						
n/a indicates less than 30 observations.						

Cross tabulation analysis (not shown) indicates that approximately 72 percent of all individuals with a layoff recorded as the reason for job separation on their ROE form also gave layoff as the reason for separation when asked by the COEP interviewer.

Return to School

In general, for a person to receive benefits after voluntarily leaving employment, the person must show that leaving was the only reasonable alternative under the circumstances or that there was no reasonable alternative for remedying the situation. The legislation does not ask claimants to do the impossible in establishing just cause for voluntarily leaving a job, but does require what is reasonable under the circumstances.

Given these restrictions, a person who has “return to school” listed on their ROE form as the reason for job separation should generally not expect to collect EI. There are situations, however, where such a person may be able to collect EI. For example, the person may receive EI benefits if the number of hours of schooling or courses does not exceed eleven hours per week. In addition, the schooling/study period cannot last longer than one year, the person must continue to be available for work, and an EI officer must approve the arrangement beforehand. Section 25 of the *EI Act* provides further information on this aspect of EI.

Table 5 examines COEP survey respondents for the most recent period who have “return to school” listed as the reason for the job separation on their ROE. Since there are only a few hundred EI recipients in this group, many of the cells analyzed (in Table 5) may have only a handful of individuals. Therefore, many small differences in Table 5 may not be statistically significant in view of the sample sizes.

Slightly more than one-third (38.4 percent) of EI recipients in this group are male. Males returning to school have lower EI receipt rates than females returning to school.

Almost all EI recipients with return to school as the reason for their job separation are from urban areas (96.8 percent) and have no children (93.5 percent). Many (44.9 percent) are in the 15 to 24 age category.

Comparing EI receipt rates for the different age groups indicates that the EI receipt rate is higher for those of prime age than for youths. For example, in the case of those collecting EI within five weeks of job loss, the EI receipt rate for the prime age group is more than four times that of youths. One possible explanation for these results is that young people are more likely to go back to school for full-time instruction of more than eleven hours per week, which would make them ineligible to collect EI. Prime age workers who have “return to school” listed on their ROE form are more likely to take a couple of courses, rather than become full-time students, and still be eligible for EI.

All people returning to school and collecting EI are located in the Atlantic region, Ontario or in the Prairies, although this is probably due to the small sample size. Table 5 also shows that EI receipt rates are much higher in the Atlantic Provinces than they are in Ontario or the Prairies.

Table 5
Return to School - Distribution of EI Recipients
(%)

	Share	Share of EI Recipients		Collected EI	
	All Job Loss Reasons	All Job Loss Reasons	Return to School	Within 5 weeks of job loss	Weeks of unemp > 1
Gender					
Male	54.0	54.7	38.4	2.8	3.5
Female	45.8	45.2	61.6	4.7	5.9
Area Type					
Rural	14.9	19.2	3.2	5.1	5.2
Urban	85.1	80.8	96.8	3.7	4.7
Age					
Youth (15-24)	27.9	12.4	44.9	2.2	2.8
Prime (25-54)	63.0	76.8	55.1	9.4	10.8
Older (55 and over)	9.1	10.8	0.0	n/a	n/a
Family Type					
Single with Children	10.9	8.5	6.0	1.1	1.6
Single without Children	38.7	27.8	45.0	2.4	3.0
Married with Children	25.6	34.7	0.5	n/a	n/a
Married without Children	24.3	28.7	48.5	n/a	n/a
Region					
Atlantic	9.2	13.1	32.1	11.8	14.2
Quebec	26.9	31.8	0.0	0.0	0.0
Ontario	35.3	29.9	45.3	4.8	6.2
Prairies	16.8	12.7	22.5	4.4	5.5
British Columbia	11.7	12.5	0.0	n/a	n/a
Type of Worker					
Seasonal	14.3	14.8	6.1	0.6	0.9
Non-Seasonal	85.7	85.2	93.9	5.3	6.4

Sample Size (only return to school) = 330
Source: COEP Survey 2000Q4 - 2001Q3.
Note: All figures are weighted.
n/a indicates less than 30 observations.

Table 6 provides estimation results for COEP survey respondents with “return to school” recorded on their ROE form. These results indicate that workers in government industries returning to school are less likely to collect EI than service industry workers returning to school. Youths are less likely than the prime age group to collect EI. Also, seasonal workers are less likely than non-seasonal workers to collect EI.

Table 6 shows that there has been a significant drop over the long-run, indicating that a person returning to school in 2000 or 2001 is less likely to collect EI than someone returning to school during the post-EI reform period.

Table 6
Regression - EI Receipt of Those Returning to School

Dependent Variable: Collected EI	% diff.	P value	90% C.I.		Sample Mean	EI Receipt Rate (%)
Industry						
Primary	9.1	0.257	-7.3	25.6	0.038	25.0
Manufacturing	-2.5	0.504	-8.3	3.3	0.173	18.1
Construction	13.5	0.091	-3.4	30.4	0.043	44.4
Service	-	-	-	-	0.664	2.9
Government	-7.2	0.069	-11.1	-3.3	0.082	17.3
Job Characteristics						
Seasonal	-6.5	0.029	-10.7	-2.2	0.230	11.5
Youths	-7.5	0.066	-15.7	0.6	0.729	15.8
Unemployment						
Consecutive Weeks	0.0	0.534	-0.1	0.2	36.592	n/a
Rate	0.2	0.657	-0.4	0.8	10.227	n/a
EI Reform	-3.8	0.293	-9.3	1.7	0.266	20.7
Change since EI reform	-6.5	0.077	-12.0	-1.0	0.398	8.4

Sample Size (only return to school) = 417, obtained by restricting to those with enough hours to qualify & at least 2 consecutive weeks of unemployment. Results based on weighted probit regression.

Source: Three years of the COEP Survey: 1995Q3 - 1996Q2 and 1997Q1 - 1997Q4 and 2000Q4 - 2001Q3. EI Reform effect based on comparing 1995Q3 - 1996Q2 with 1997Q1 - 1997Q4. The change since EI reform is based on comparing 2000Q4 - 2001Q3 with 1997Q1 - 1997Q4.

n/a indicates less than 30 observations.

About 65 percent of individuals (not shown) giving “return to school” as the reason for job end in COEP have it listed on their ROE form. This may be indicative of students who take contract or seasonal work during the summer that ends just before their school year starts. This would lead to an under-reporting of students by employers when the ROE form is completed.

Injury or Illness

For most workers, the requirements to receive EI are more stringent if it is for reasons of injury or illness. As a result of Bill C-32, a worker filing for EI sickness benefits needs only 600 insured hours to qualify for EI sickness benefits instead of the 700 insured hours required prior to Bill C-32. The new rules apply to workers who become unable to work because of sickness on or after December 31, 2000. Sickness benefits may be paid for up to 15 weeks to someone who is unable to work because of sickness, injury or quarantine. A person who makes a claim for sickness benefits is required to prove that he or she is unable to work but would otherwise be available for work. A person may not collect EI sickness benefits if they have a health plan from their employer as it may be more generous than EI benefits.

Table 7 examines COEP survey respondents for the most recent period with injury or illness as the reason for the job separation on their ROE form. In this group, female EI recipients outnumber male EI recipients by almost two-to-one. Females reporting injury or illness as the reason for their job separation also have a higher EI receipt rate.

Table 7					
Injury or Illness - Distribution of EI Recipients (%)					
	Share	Share of EI Recipients		Collected EI	
	All Job Loss Reasons	All Job Loss Reasons	Injury or Illness	Within 5 weeks of job loss	Weeks of unemp. > 1
Gender					
Male	54.0	54.7	38.4	52.1	53.3
Female	45.8	45.2	61.6	64.2	63.8
Age					
Youth (15-24)	27.9	12.4	9.5	62.8	63.8
Prime (25-54)	63.0	76.8	72.2	60.7	60.6
Older (55 and over)	9.1	10.8	18.3	51.0	53.4
Family Type					
Single with Children	10.9	8.5	5.3	38.4	41.5
Single without Children	38.7	27.8	36.2	59.2	61.3
Married with Children	25.6	34.7	22.9	53.6	52.0
Married without Children	24.3	28.7	35.1	68.2	67.4
Industry					
Primary	4.9	6.6	1.4	n/a	n/a
Manufacturing	17.6	22.3	14.3	43.2	42.5
Construction	9.2	12.2	4.1	n/a	n/a
Services	64.5	55.8	74.8	64.2	64.5
Government	3.5	2.9	5.1	n/a	n/a
Type of Worker					
Seasonal	14.3	14.8	0.8	n/a	n/a
Non-Seasonal	85.7	85.2	99.2	59.0	59.4
Sample Size (only illness or injury) = 373					
Source: COEP Survey 2000Q4 - 2001Q3.					
Note: All figures are weighted.					
n/a indicates less than 30 observations.					

Almost 90 percent of EI recipients (not shown) who recorded an injury or illness had been working in either service industries or the manufacturing sector, compared with about 78 percent of EI recipients in the case of all reasons for job separation. Looking at EI receipt rates by industry indicates that workers in service industries leaving their job due to injury or illness have a higher EI receipt rate than those leaving a job in one of the other industries for this reason.

Almost all EI recipients leaving a job because of injury or illness are non-seasonal workers (99.2 percent), compared with 85.2 percent of EI recipients in the case of all reasons for job separation.

By age group, youths leaving their job due to injury or illness have higher EI receipt rates than prime age or older workers leaving their jobs for this reason.

Table 8 provides estimation results for COEP survey respondents leaving their jobs due to injury or illness.

Table 8						
Regression - EI Receipt of Those Injured or Ill						
Dependent Variable: Collected EI	% diff.	P value	90% C.I.		Sample Mean	EI Receipt Rate (%)
Industry						
Primary	-34.6	0.008	-54.3	-14.8	0.033	46.4
Manufacturing	-28.4	0.001	-41.9	-14.9	0.129	55.1
Construction	-30.6	0.018	-51.1	-10.1	0.041	51.4
Service	—	—	—	—	0.750	69.2
Government	-3.9	0.757	-25.3	17.4	0.046	72.4
Job Characteristics						
Seasonal	-9.6	0.412	-29.3	10.2	0.028	37.5
Age						
Youth (15-24)	1.7	0.849	-13.1	16.6	0.079	58.2
Prime (25-54)	—	—	—	—	0.780	69.9
Older (55 and over)	-10.5	0.192	-24.0	3.0	0.141	64.7
Unemployment Rate						
Consecutive Weeks	-0.1	0.084	-0.2	0.0	40.724	n/a
Rate	0.2	0.818	-1.0	1.4	10.206	n/a
Bill C-32 Effect (2001Q1-2001Q3)	1.0	0.912	-14.4	16.5	0.283	65.7
EI Reform	-8.5	0.256	-21.1	4.1	0.258	64.2
Change Since EI Reform	-3.8	0.675	-19.0	11.3	0.368	65.9
Sample Size (only illness or injury) = 844, obtained by restricting to those with enough hours to qualify & at least 2 consecutive weeks of unemployment. Results based on weighted probit regression.						
Source: Three years of the COEP Survey: 1995Q3 - 1996Q2 and 1997Q1 - 1997Q4 and 2000Q4 - 2001Q3. EI Reform effect based on comparing 1995Q3 - 1996Q2 with 1997Q1 - 1997Q4. The change since EI reform is based on comparing 2000Q4 - 2001Q3 with 1997Q1 - 1997Q4.						
n/a indicates less than 30 observations.						

The results shown in Table 8 indicate that workers from the primary, manufacturing and construction sectors are far less likely to collect EI than those from the service industry. The longer the consecutive weeks of unemployment, the less likely a person is to collect EI. Bill C-32, which came into effect as of December 31, 2000, appears to have had no significant effect on EI receipt rates in the most recent period for those leaving their jobs due to illness or injury.

Cross tabulation shows that 80 percent of all individuals leaving their job due to injury or illness according to their ROE form also gave injury or illness as the reason for job separation when asked by the COEP interviewer.

Quits

Just cause for voluntarily leaving employment is not limited to only the situations currently defined in the Act. Within the terms of the legislation, just cause for voluntarily leaving employment exists where, having regard to all the circumstances, the claimant had no reasonable alternative to leaving a job. There are at least 40 main reasons that may amount to just cause, many of which fall into one of the following categories:

- sexual or other harassment;
- obligation to accompany a spouse or dependent child to another residence;
- discrimination on a prohibited ground of discrimination within the meaning of the *Canadian Human Rights Act*;
- working conditions that constitute a danger to health or safety;
- obligation to care for a child or a member of the immediate family;
- reasonable assurance of another employment in the immediate future;
- significant modification of terms and conditions respecting wages or salary;
- excessive overtime work or refusal to pay for overtime work;
- significant changes in work duties;
- antagonism with a supervisor if claimant is not primarily responsible for antagonism;
- practices of an employer that are contrary to law;
- discrimination with regard to employment because of membership in any association, organization or union of workers; and
- undue pressure by an employer on the claimant to leave their employment.

In addition to these justifiable reasons for quitting a job, there is a special provision under Section 51 of the EI Regulations that may allow a claimant to remain eligible for EI benefits if the quit or voluntary departure (retirement) preserves the job of a co-worker during a workforce reduction process that has been approved by HRDC.

In order to receive HRDC approval, the workforce reduction process must be initiated by the employer and aim at a permanent reduction in the overall number of employees. In addition, in order for the claimant to qualify for benefits, the voluntary departure must result in the actual preservation of employment of a co-worker and the employer must have documented all of the preceding elements. And, as usual, the claimant must also be capable, available and seeking any suitable work in order to qualify, as must any person claiming regular EI benefits.

Table 9 examines COEP survey respondents for the most recent period who have “quit” listed as the reason for the job separation on their ROE. In this group, male EI recipients outnumber females. Also, males who quit have a higher EI receipt rate than females who quit.

Youths account for 17.8 percent of EI recipients who quit but only 12.4 percent of EI recipients in the case of all reasons for job separation.

Table 9					
Quits - Distribution of EI Recipients					
(%)					
	Share	Share of EI Recipients		Collected EI	
	All Job Loss Reasons	All Job Loss Reasons	Quits	Within 5 weeks of job loss	Weeks of unemp. > 1
Quits					
ROE Reason	–	–	5.0	5.6	9.4
COEP Survey Question	–	–	5.7	3.8	6.8
Gender					
Male	54.0	54.7	60.5	6.9	10.6
Female	45.8	45.2	39.5	4.4	8.2
Age					
Youth (15-24)	27.9	12.4	17.8	2.5	2.4
Prime (25-54)	63.0	76.8	77.8	7.9	16.2
Older (55 and over)	9.1	10.8	4.3	6.0	8.4
Family Type					
Single with Children	10.9	8.5	9.2	4.2	6.5
Single without Children	38.7	27.8	43.3	5.1	7.2
Married with Children	25.6	34.7	35.4	10.0	21.1
Married without Children	24.3	28.7	12.1	3.5	7.2
Industry					
Primary	4.9	6.6	5.9	14.4	12.2
Manufacturing	17.6	22.3	19.7	9.1	19.2
Construction	9.2	12.2	10.0	12.5	15.4
Services	64.5	55.8	59.8	4.3	7.0
Government	3.5	2.9	4.6	n/a	n/a
Other Income Earner in House					
Yes	58.3	58.5	51.5	4.8	7.7
No	41.7	41.5	48.5	7.0	12.2
Sample Size (only quits) = 2,277					
Source: COEP Survey 2000Q4 - 2001Q3.					
Note: All figures are weighted.					
n/a indicates less than 30 observations.					

About 43 percent of those on EI after quitting their job are single without children, compared to 27.8 percent of EI recipients in the case of all reasons for job separation. It is not clear at this point why this is the case. Table 9 also shows that EI receipt rates are

lower for those who quit if there is another income earner in the household. Workers who are married with children have, by far, the highest EI receipt rates among the different family types.

Table 10 provides estimation results for COEP survey respondents having “quit” listed as the reason for job separation on their ROE form. These results indicate that youths who quit a job are less likely to collect EI than prime age males who quit a job. Older males who quit a job are also less likely to collect EI than prime age males who quit a job.

Individuals in the Atlantic region and British Columbia who quit a job are more likely to collect EI than individuals in Ontario who quit a job. Employees who quit a job in a firm with 20-99 employees are more likely to collect EI than employees quitting a job in a firm with more than 500 employees.

Someone quitting a job due to a new job is less likely to collect EI than someone quitting a job but not due to a new job. As a caution, however, one should note that this component of the estimated results used information from the COEP survey on the reason for the job separation, and less than 71 percent of COEP survey respondents having a quit listed on their ROE form (not shown) also gave quit as the reason for job separation when asked by the COEP interviewer.

Table 10 shows that individuals that quit and in receipt of a severance package are more likely to collect EI than those quitting without the benefit of a severance package.² This is an unusual result, given that a person cannot collect EI until their severance pay terminates. It is possible that the disincentive to immediately search for new employment is much stronger for those receiving severance pay. A full explanation for this result is not provided by this analysis.

Table 10 also shows that, the more weeks on the ROE job and the longer the consecutive weeks of unemployment, the more likely a person will collect EI.

In addition, a worker who quits a job is more likely to collect EI if there is a dependent in the household. The location of a worker also appears to have an effect on EI receipt rates, as workers who quit a job and reside in a rural area are less likely to collect EI than those quitting a job and residing in an urban area.

Again, in the time period since EI reform it appears that a person quitting is less likely to collect EI in 2000 and 2001 than in the post-EI reform period.

² Receipt of a severance package is likely endogenous, affected by other variables in the model, so one can't really interpret the coefficient on “Received Severance Pay” as though it were the result of a randomized experiment.

Table 10
Regression - EI Receipt of Those Quitting

Dependent Variable: Collected EI	% diff.	P value	90% C.I.		Sample Mean	EI Receipt Rate (%)
Age/Gender						
Female - Youth (15-24)	-15.8	0.000	-20.0	-11.7	0.155	9.1
Female - Prime (25-54)	-4.8	0.135	-10.0	0.4	0.346	35.1
Female - Older (55 and over)	-7.1	0.268	-15.8	1.6	0.026	31.8
Male - Youth (15-24)	-13.5	0.001	-18.4	-8.6	0.184	7.6
Male - Prime (25-54)	-	-	-	-	0.260	27.2
Male - Older (55 and over)	-13.2	0.002	-17.2	-9.1	0.028	20.8
Region						
Atlantic	8.7	0.080	-0.1	17.4	0.212	29.3
Quebec	1.6	0.765	-7.5	10.8	0.087	23.0
Ontario	-	-	-	-	0.106	19.2
Prairies	4.8	0.198	-1.4	11.0	0.450	20.5
British Columbia	8.6	0.062	0.5	16.8	0.145	27.8
Firm Size						
Less than 20 employees	-3.6	0.643	-15.5	8.2	0.027	27.7
20-99 employees	14.8	0.042	1.1	28.5	0.065	24.3
100-499 employees	8.7	0.159	-2.5	19.9	0.084	25.2
More than 500 employees	-	-	-	-	0.297	17.3
Unknown	6.5	0.059	1.0	12.1	0.527	26.4
Job Characteristics						
Received Severance Pay	7.9	0.007	3.2	12.6	0.564	24.8
Weeks on ROE Job	0.0	0.004	0.0	0.0	150.314	n/a
COEP Survey						
Quit						
Due to New Job	-13.7	0.000	-18.6	-8.9	0.189	9.9
Due to Poor Working Conditions	-1.1	0.795	-8.2	5.9	0.212	25.4
Due to Other Reasons	-	-	-	-	0.199	24.7
Unemployment Rate						
Consecutive Weeks	0.1	0.002	0.1	0.2	33.620	n/a
Rate	0.7	0.140	-0.1	1.4	9.192	n/a
Dependent in Household	5.6	0.079	0.4	10.9	0.574	29.7
Other Income Earner in Household	-1.6	0.599	-6.5	3.3	0.557	23.3
Rural Area	-6.8	0.043	-11.7	-1.9	0.180	27.0
EI Reform	-1.4	0.687	-7.2	4.3	0.254	26.5
Change since EI reform	-7.8	0.020	-13.2	-2.4	0.392	16.5

Sample Size (only quits) = 1710, obtained by restricting to those with enough hours to qualify & at least 2 consecutive weeks of unemployment. Results based on weighted probit regression.

Source: Three years of the COEP Survey: 1995Q3 - 1996Q2 and 1997Q1 - 1997Q4 and 2000Q4 - 2001Q3. EI Reform effect based on comparing 1995Q3 - 1996Q2 with 1997Q1 - 1997Q4. The change since EI reform is based on comparing 2000Q4 - 2001Q3 with 1997Q1 - 1997Q4.

n/a indicates less than 30 observations.

It could be argued that some HRC managers may be more willing than others to allow EI benefits to those who quit.³ With this in mind, additional statistical estimations were done to examine the possible extent of HRC manager bias. When considering the results presented in Table 11, one should note that:

- SV and ROE data were used as the size of the COEP survey is not sufficient to support analysis on the 110 HRCs, as there are too few observations;
- Although the SV/ROE dataset has a large number of observations, it does not have as many explanatory variables as the COEP survey. Thus statistical estimation focuses only on the HRC as the factor influencing the receipt of EI for those who have quit or dismissal listed as the reason for job loss on their ROE;
- Given that the HRC is the only explanatory factor, there is the implicit assumption that all other factors are constant when interpreting the results; and
- The analysis considers approximately 110 different areas in Canada and compares them to Toronto Centre. As the results for all 110 HRCs would be too burdensome to report, only the most extreme cases are shown.

Table 11						
Regression (Quits) - Areas with Human Resources Centres (HRCs)						
Dependent Variable: Collected EI	% diff.	P value	90% C.I.		Sample Mean	EI Receipt Rate (%)
Top 5 EI Receipt Rate Differences						
Gander, NF	12.6	0.000	9.5	15.6	0.000	14.2
Sydney, NS	11.8	0.000	8.3	15.2	0.001	13.5
Corner Brook, NF	11.3	0.000	7.3	15.4	0.001	13.1
Gaspe, QU	10.4	0.000	6.3	14.6	0.001	12.3
Labrador, NF	9.9	0.000	5.7	14.2	0.000	11.9
Lowest 5 EI Receipt Rate Differences						
Peel-Halton-Dufferin, ON	0.5	0.010	0.2	0.9	0.058	3.9
Winnipeg, MA	0.7	0.003	0.3	1.0	0.044	4.0
Red Deer, AL	0.7	0.072	0.0	1.4	0.009	4.0
Laval, Quebec	0.7	0.022	0.2	1.3	0.014	4.1
West Island of Montreal, QC	0.8	0.001	0.4	1.2	0.033	4.1
Sample Size (only quits) = 439,236 Source: Status Vector and ROE 1995Q3 - 1996Q2 and 1997Q1 - 1997Q4 and 2000Q4 - 2001Q3. Control Variable is Toronto Centre, ON.						

Table 11 shows the five areas that are the most and least likely to have workers quit and go on to collect EI, compared with Toronto Centre. According to these results, EI applicants quitting and from the Peel-Halton-Dufferin region in Ontario are the least likely to collect EI in comparison to Toronto Centre. At the other end of this list, EI applicants quitting and from Gander, Newfoundland are the most likely to collect EI in

³ This idea arose from a conversation with David Gray of the University of Ottawa.

comparison to Toronto Centre. Although these results are significant, it should be remembered that these are only the 10 most extreme cases out of 110. Whether the fact that the rate of EI receipt ranges from 3.9 percent to 14.2 percent for the middle 100⁴ would be considered high, would be a matter for further research. It is also worth noting, however, that the higher EI receipt rate differences occur in smaller, rural areas whereas the lowest EI receipt rate differences occur in some of Canada's more populated areas.

Dismissal

The decision to disqualify an applicant from receiving EI benefits if the applicant is dismissed from a job is not an arbitrary one. The fact that a person has been dismissed should not lead to an automatic assumption that the applicant lost their employment by reason of misconduct. A decision to disqualify someone from receiving benefits in such circumstances may be made only if the information in the file supports the finding that the applicant committed actions or omissions whereby the applicant lost their employment because of these actions or omissions.

Table 12 examines COEP survey respondents for the most recent period having dismissal as the reason for the job separation on their ROE. Almost half (45.7 percent) of all EI recipients dismissed are from Ontario. This could be due to the low unionization rates in Ontario, which make it easier to be dismissed. If it is easier to be dismissed in Ontario, there could be a larger number of EI applicants in Ontario who were dismissed, leading to more EI recipients in this category.

Table 12 also shows that EI receipt rates for dismissed workers are much higher than might be expected and are significantly higher than the EI receipt rates shown in Table 9 for people quitting their jobs.

The EI receipt rate for dismissed prime age workers is far higher than that for youths who were dismissed.

Almost one-quarter (23.6 percent) of those on EI after being dismissed are single with children, compared with 8.5 percent of EI recipients in the case of all reasons for separation. Dismissed workers who are married without children have the highest EI receipt rate among the different family types.

In the case of dismissed workers, the presence of another income earner in the house leads to a lower EI receipt rate. This result is similar to the result noted in the detailed analysis of those who quit.

Dismissed employees in the western provinces have lower EI receipt rates than those dismissed in other regions.

Finally, individuals reporting a dismissal in the COEP survey have higher EI receipt rates than those with dismissal listed on the ROE form. In this regard, one should note that only 35 percent of COEP survey respondents (not shown) with dismissal listed on their ROE form also gave dismissal as the reason for their job separation when asked by the

⁴ This is only approximate as Toronto and a few regions similar to it are not included.

COEP interviewer. Of all the reasons for job separation, the link is weakest between what is said by employers on the ROE form and on the COEP survey.

Table 12					
Dismissed - Distribution of EI Recipients					
(%)					
	Share	Share of EI Recipients		Collected EI	
	All Job Loss Reasons	All Job Loss Reasons	Dismissed	Within 5 weeks of job loss	Week of unemp. > 1
Dismissal					
ROE Reason	–	–	3.6	21.0	27.2
COEP Survey Question	–	–	2.1	32.3	37.8
Gender					
Male	54.0	54.7	58.6	21.4	29.4
Female	45.8	45.2	41.4	20.4	24.4
Age					
Youth (15-24)	27.9	12.4	19.1	8.8	10.9
Prime (25-54)	63.0	76.8	73.9	31.4	41.3
Older (55 and over)	9.1	10.8	7.0	n/a	n/a
Family Type					
Single with Children	10.9	8.5	23.6	27.2	41.3
Single without Children	38.7	27.8	31.4	12.9	15.4
Married with Children	25.6	34.7	19.5	24.7	36.5
Married without Children	24.3	28.7	25.4	37.7	45.8
Region					
Atlantic	9.2	13.1	3.6	20.7	24.7
Quebec	26.9	31.8	31.0	29.3	37.6
Ontario	35.3	29.9	45.7	21.0	27.4
Prairies	16.8	12.7	10.9	13.2	18.6
British Columbia	11.7	12.5	8.8	16.6	20.1
Other Income Earner in House					
Yes	58.3	58.5	40.5	16.6	22.2
No	41.7	41.5	59.5	25.5	32.0
Sample Size (only dismissals) = 357					
Source: COEP Survey 2000Q4 - 2001Q3.					
Note: All figures are weighted.					
n/a indicates less than 30 observations.					

Table 13 provides estimation results for COEP survey respondents who, according to their ROE form, were dismissed.

Young females who were dismissed are far less likely to collect EI than prime age males who were dismissed. At the same time, prime age and older female workers are far more likely to collect EI than prime age males who were dismissed. Workers in Quebec who were dismissed are far more likely to collect EI than dismissed workers in Ontario.

The only other significant estimation result is that workers having dismissal listed on the COEP survey are more likely to collect EI than those not having dismissal listed on the COEP survey.

Table 13
Regression - EI Receipt of Those Dismissed

Dependent Variable: Collected EI	% diff.	P value	90% C.I.		Sample Mean	EI Receipt Rate (%)
Age/Gender						
Female - Youth (15-24)	-35.4	0.005	-53.3	-17.5	0.085	30.8
Female - Prime (25-54)	20.5	0.027	5.9	35.0	0.276	62.7
Female - Older (55 and over)	26.3	0.055	8.3	44.2	0.033	60.0
Male - Youth (15-24)	-16.1	0.161	-34.9	2.7	0.190	29.9
Male - Prime (25-54)	–	–	–	–	0.385	56.8
Male - Older (55 and over)	14.3	0.430	-13.3	41.9	0.031	71.4
Region						
Atlantic	-3.3	0.788	-23.6	17.0	0.184	52.4
Quebec	19.3	0.099	1.0	37.7	0.144	63.6
Ontario	–	–	–	–	0.127	58.6
Prairies	-1.8	0.846	-17.3	13.7	0.376	47.1
British Columbia	-3.3	0.761	-21.2	14.6	0.168	45.5
Firm Size						
Less than 20 employees	13.4	0.496	-16.8	43.6	0.024	63.6
20-99 employees	8.4	0.590	-16.6	33.5	0.088	55.0
100-499 employees	12.0	0.326	-7.2	31.1	0.127	53.5
More than 500 employees	–	–	–	–	0.234	47.7
Unknown	5.3	0.588	-10.8	21.5	0.527	51.9
Job Characteristics						
Received Severance Pay	1.0	0.905	-13.1	15.1	0.619	55.5
Weeks on ROE Job	0.0	0.460	0.0	0.0	127.834	n/a
COEP Survey – Dismissal	12.3	0.092	0.4	24.2	0.422	57.0
Unemployment						
Consecutive Weeks	0.1	0.166	0.0	0.3	37.309	n/a
Rate	0.8	0.515	-1.3	3.0	9.326	n/a
Rural Area	-4.2	0.718	-23.5	15.1	0.120	49.1
EI Reform	-3.7	0.696	-19.3	11.9	0.317	55.9
Change since EI reform	-9.9	0.319	-26.2	6.4	0.309	40.4

Sample Size (only dismissals) = 457, obtained by restricting to those with enough hours to qualify & at least 2 consecutive weeks of unemployment. Results based on weighted probit regression..

Source: Three years of the COEP Survey: 1995Q3 - 1996Q2 and 1997Q1 - 1997Q4 and 2000Q4 - 2001Q3. EI Reform effect based on comparing 1995Q3 - 1996Q2 with 1997Q1 - 1997Q4. The change since EI reform is based on comparing 2000Q4 - 2001Q3 with 1997Q1 - 1997Q4.

n/a indicates less than 30 observations.

The possible bias of HRC managers in distributing EI benefits to those who are dismissed is also examined using the approach discussed in the detailed analysis of quits. For example, once again, the analysis assumes that each area has roughly the same EI application rate. The results in Table 14 show that Sept-Îles, Quebec is the area most likely to have dismissed workers collect EI, in comparison to Toronto Centre. Edmonton, Alberta is the area that is

least likely to have dismissed workers collect EI, in comparison to Toronto Centre. Again, there is sufficient evidence to indicate that EI applicants in smaller, rural areas are more likely to collect EI for a dismissal than applicants in larger, urban areas. EI receipt rates vary more widely (5.7 percent to 31.4 percent) than they did in the case of quits (3.9 percent to 14.2 percent)

Table 14						
Regression (Dismissals) - Areas with Human Resources Centres (HRCs)						
Dependent Variable: Collected EI	% diff.	P value	90% C.I.		Sample Mean	EI Receipt Rate (%)
Top 5 EI Receipt Rates						
Sept-Îles, QU	15.5	0.000	7.7	23.2	0.001	31.4
Bridgewater, NS	14.9	0.000	9.3	20.5	0.002	30.9
Rouyn-Noranda, QU	14.1	0.000	9.4	18.8	0.003	30.0
Charny - Saint-Romual, QU	12.6	0.000	8.7	16.5	0.005	28.6
Jonquiere, QU	11.1	0.000	6.7	15.6	0.004	27.1
Lowest 5 EI Receipt Rates						
Edmonton, AL	-11.0	0.000	-12.7	-9.3	0.007	5.7
Grande Prairie, AL	-8.6	0.000	-10.4	-6.7	0.009	8.0
Red Deer, AL	-7.1	0.000	-9.0	-5.1	0.009	9.4
Lethbridge, AL	-5.9	0.000	-8.0	-3.9	0.009	10.5
Yorkdale, ON	-5.7	0.074	-10.2	-1.2	0.002	10.7
Sample Size (only dismissals) = 82,675 Source: Status Vector 1995Q3 - 1996Q2 and 1997Q1 - 1997Q4 and 2000Q4 - 2001Q3. Control Variable is Toronto Centre, ON.						

Pregnancy or Parental Reasons

Bill C-32, which came into effect as of December 31, 2000, increased the duration of parental benefits from 10 to 35 weeks for biological and adoptive parents while maintaining the 15 week benefit period for maternity. In addition, claimants are now able to claim EI special benefits (i.e. sickness, maternity and parental) with 600 insured hours instead of 700 insured hours. Parents may choose to share the extended 35 weeks of benefits, including situations where a woman is receiving maternity or parental benefits while the partner is receiving parental benefits at the same time. Parental benefits can be spread over time and need not all be taken in consecutive weeks. All parental benefits must be received, however, within 52 weeks of the child's birth or placement in the parents' care for adoption.

Table 15 examines COEP survey respondents having pregnancy or parental reasons as the reason for the job separation on their ROE.

Table 15
Pregnancy or Parental - Distribution of EI Recipients
 (%)

	Share	Share of EI Recipients		Collected EI	
	All Job Loss Reasons	All Job Loss Reasons	Pregnancy or Parental	Within 5 weeks of job loss	Week of unemp. > 1
Gender					
Male	54.0	54.7	9.3	n/a	n/a
Female	45.8	45.2	90.7	81.4	82.4
Age					
Youth (15-24)	27.9	12.4	11.9	71.9	73.7
Prime (25-54)	63.0	76.8	88.1	83.9	84.8
Older (55 and over)	9.1	10.8	0.0	n/a	n/a
Family Type					
Single with Children	10.9	8.5	13.1	84.7	84.7
Single without Children	38.7	27.8	0.1	n/a	n/a
Married with Children	25.6	34.7	85.5	84.1	85.3
Married without Children	24.3	28.7	1.1	n/a	n/a
Region					
Atlantic	9.2	13.1	5.5	80.0	80.0
Quebec	26.9	31.8	14.9	n/a	n/a
Ontario	35.3	29.9	43.2	91.8	94.1
Prairies	16.8	12.7	18.3	79.1	80.9
British Columbia	11.7	12.5	18.1	87.9	88.6
Has Spouse					
Yes	51.4	64.8	88.4	83.8	85.0
No	48.4	34.9	11.6	72.2	72.2
Has Working Spouse					
Yes	36.2	46.9	77.7	84.9	86.2
No	63.8	53.1	22.3	74.0	74.5

Sample Size (only pregnancy or parental) = 331
 Source: COEP Survey 2000Q4 - 2001Q3.
 Note: All figures are weighted.
 n/a indicates less than 30 observations.

Most (90.7 percent) EI recipients having pregnancy or parental reason as their reason for job separation are females, and most (88.1 percent) are in the 25 to 54 age bracket. Looking at family type indicates that most (85.5 percent) EI recipients with pregnancy or parental reasons are in the married with children category.

Regional EI receipt rates range from 79.1 percent in the Prairies to 91.8 percent in Ontario. Some of this variation can be attributed to the fact that provincial labour standards legislation vary significantly. Not all provinces guarantee that a job left for a leave following a birth will still be available at the end of the leave period, even if that leave is the length supported by this aspect of EI. For example, until recently, the length of protected leave in Alberta was shorter than the period covered by EI.

The EI receipt rate is higher if there is a working spouse. Once again, this illustrates the effect of dependents on whether or not an individual collects EI. Almost 78 percent of the spouses of EI recipients are employed, illustrating how common it is for both parents to be working. The labour force participation rate of females over the age of 25 has increased by roughly 4 percent from October 1995 to September 2001. Over this same time period, the participation rate of males over 25 has declined slightly.

Table 16 provides the estimation results for COEP survey respondents having a job separation due to pregnancy or parental reasons according to their ROE form.

Table 16						
Regression - EI Receipt of Those Pregnant or Parental						
Dependent Variable: Collected EI	% diff.	P value	90% C.I.		Sample Mean	EI Receipt Rate (%)
Firm Size						
Less than 20 employees	1.1	0.932	-19.7	21.9	0.020	94.7
20-99 employees	-2.8	0.779	-20.3	14.7	0.036	85.7
100-499 employees	1.7	0.832	-11.2	14.7	0.075	84.7
More than 500 employees	—	—	—	—	0.350	87.5
Unknown	-2.4	0.555	-9.2	4.3	0.520	84.2
Industry						
Primary	12.8	0.071	7.6	18.0	0.010	90.0
Manufacturing	-9.1	0.230	-23.3	5.0	0.073	80.0
Construction	12.2	0.056	6.8	17.5	0.010	80.0
Service	—	—	—	—	0.836	85.9
Government	4.5	0.480	-4.8	13.7	0.071	89.7
Job Characteristics						
Medical Plan	-0.9	0.830	-7.5	5.8	0.379	86.3
Weeks on ROE Job	0.0	0.043	0.0	0.0	279.366	n/a
Unemployment Rate	-2.5	0.000	-3.3	-1.7	9.306	n/a
Bill C-32 Effect	-13.0	0.193	-30.8	4.8	0.249	85.8
EI Reform	-5.5	0.273	-14.3	3.2	0.279	79.6
Change since EI reform	10.4	0.217	-2.4	23.2	0.310	87.6
Sample Size (only pregnant or parental) = 964, obtained by restricting to those with enough hours to qualify & at least 2 consecutive weeks of unemployment. Results based on weighted probit regression.						
Source: Three years of the COEP Survey: 1995Q3 - 1996Q2 and 1997Q1 - 1997Q4 and 2000Q4 - 2001Q3. EI Reform effect based on comparing 1995Q3 - 1996Q2 with 1997Q1 - 1997Q4. The change since EI reform is based on comparing 2000Q4 - 2001Q3 with 1997Q1 - 1997Q4.						
n/a indicates less than 30 observations.						

Table 16 shows that primary and construction industry employees are more likely to collect EI than service industry workers.

As the number of weeks on the ROE job increases, the EI collection rate also increases.

The coefficient for the unemployment rate suggests that, as the unemployment rate increases, a person is less likely to collect EI for pregnancy or parental reasons.

Also, it appears that Bill C-32 has had no significant effect on EI receipt rates as a function of ROE's, although there was a rise in the claimants receiving maternity benefits. This is due to the increase in ROE's that was designated as maternity.

More than 92 percent of COEP survey respondents who have pregnancy or parental listed on the ROE form also gave pregnancy or parental as the reason for their job separation when asked by the COEP interviewer. Of all the reasons for job separation, this is the strongest correspondence between the ROE form and the COEP survey.

Conclusions

This report considers EI benefit eligibility by examining the relationship between the receipt of EI and the reason for job separation. Using the most recent period of COEP data, the analysis provides an overview of the reasons for job separation and a more detailed analysis of the six main reasons.

The overview analysis indicated that a layoff was the reason for job separation for more than half (58.6 percent) of all COEP survey respondents in the recent period who received EI. The next largest category was pregnancy or parental reasons (10.5 percent).

Comparing EI receipt rates by reason for job separation indicated that individuals who were listed as returning to school, taking a leave of absence, quitting or retiring were less likely to collect EI than those who were laid off. Workers leaving a job for pregnancy or parental reasons were more likely to collect EI than laid-off workers.

The detailed analysis for the six main reasons for job separation indicated that:

- Youths were less likely to collect EI than the prime age group when the reason for job separation was a layoff or returning to school. Also, they were less likely to collect EI than the prime age male group when the reason for job separation was either quitting or dismissal.
- Seasonal workers were less likely than non-seasonal workers to collect EI if the reason for job separation was a layoff or a return to school.
- The longer the consecutive weeks of unemployment, the more likely a person was to collect EI when the reason for job separation was a layoff.
- A higher unemployment rate led to a lower EI receipt rate when the reason for job separation was pregnancy or parental reasons.
- For the most recent period, EI receipt rates were lower for those who were laid off, returned to school or quitting, compared with the EI receipt rate for these categories during the post-EI reform period.
- Comparison of the responses given in the COEP survey with the ROE reveal that in some cases, such as maternity and returns to school, the reason for job separation can be assumed to be reasonably accurate. However, in other cases such as dismissals, the link between what is contained on the ROE and the response on the COEP is weak.
- A noticeable portion of quits and an even greater portion of dismissals are allowed to receive EI benefits. There is some evidence to suggest that Human Resource Centre (HRC) managers in different parts of Canada varied in how they approved EI claims for individuals quitting their jobs, but in the case of dismissals, EI receipt rates vary more widely. The implications of this are unclear at this time.