



CCA News Release
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Employment Insurance Premium Cut: Rate Set at \$2.10 for 2003

Employment insurance (EI) premiums will be reduced by 10 cents to \$2.10 in 2003, John Manley, Deputy Prime Minister and Minister of Finance, and Jane Stewart, Minister of Human Resources Development, announced today.

“This reduction will mean savings of \$890 million for workers and businesses next year,” said Minister Manley.

This is the ninth consecutive reduction in EI premiums since 1994, when they were \$3.07 per \$100 of earnings. In total, employers and employees will save \$8.6 billion in 2003 compared to the 1994 rate.

“The EI program is continuing to respond to the needs of Canadians,” said Minister Stewart.

“This reduction in premiums, along with recent changes to the EI program, make it even more responsive.”

The rate reduction is based on a joint recommendation to Cabinet by the Minister of Human Resources Development and the Minister of Finance, and is consistent with the planning assumption used in Budget 2001 and the October 2002 *Economic and Fiscal Update*.

Maximum insurable earnings will remain at \$39,000 for 2003.

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Impact of Changes to the EI Premium Rate and Maximum Insurable Earnings - 1994 to 2003

	Maximum Annual Insurable	Premium Rates Per \$100 of Insurable Earnings		Annual Maximum Contribution		Change in Annual Maximum Contribution	
		EE*	ER*	EE	ER	EE	ER
1994	\$40,560	3.07	4.30	\$1,245	\$1,743	**	
1995	\$42,380	3.00	4.20	\$1,271	\$1,780	+\$26	+\$37
1996	\$39,000	2.95	4.13	\$1,151	\$1,611	-\$121	-\$169
1997	\$39,000	2.90	4.06	\$1,131	\$1,583	-\$20	-\$27
1998	\$39,000	2.70	3.78	\$1,053	\$1,474	-\$78	-\$109
1999	\$39,000	2.55	3.57	\$995	\$1,392	-\$59	-\$82
2000	\$39,000	2.40	3.36	\$936	\$1,310	-\$59	-\$82
2001	\$39,000	2.25	3.15	\$878	\$1,229	-\$59	-\$82
2002	\$39,000	2.20	3.08	\$858	\$1,201	-\$20	-\$28
2003	\$39,000	2.10	2.94	\$819	\$1,147	-\$39	-\$55

Cumulative change in maximum contribution since 1994 - \$426 - \$597

* EE - employee contributions; ER - employer contributions (1.4 times the employee rate).

** This column measures yearly changes since 1994. Numbers are rounded.