



# Canada's federal budget 2021 includes employment provisions

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30 Apr 2021

Canada's Budget 2021: A recovery plan for jobs, growth and resilience — was presented on 19 April 2021 and includes more than 280 proposed commitments, many of which aim to address some of the inequalities exposed by the COVID-19 pandemic. Other changes include federal support for provincial health systems, employment insurance increases, old age security increases, diversity reporting, a minimum wage increase and protections for gig workers.

## Highlights

- **Employment Insurance (EI).** The maximum period that an individual can claim EI benefits would increase to 50 weeks, and the duration of EI sickness benefits would increase to 26 weeks in summer 2022 — up from 15 weeks. The government will publish a consultation on proposed EI reforms that could include changes to disability plans and the EI's funding model.
- **Old Age Security (OAS).** From July 2022, individuals aged 75 years or older will receive a 10% increase in OAS benefits, and they also will receive a one-time payment of CA\$500 in August 2021 if they will be age 75 or older as of June 2022. These changes could incentivize an individual to remain in employment until they are older.
- **COVID-19 income support.** The budget confirmed previously announced extensions of the Canada Emergency Wage Subsidy (CEWS), to at least 25 Sep 2021, with certain modifications, and proposed a new subsidy, the Canada Recovery Hiring Program (CRHP), that aims to encourage new hiring. The CRHP is based on the same time periods as CEWS, and an employer could receive a subsidy under one of the two programs for each period, but not both. The budget also includes the repayment of wage pandemic-related wage subsidies received after 5 June 2021 by publicly listed companies if the compensation paid to specified corporate executives exceeds 2019 compensation amounts.
- **Diversity reporting.** Crown corporations would have to implement gender and diversity reporting starting in 2022.

Other measures announced in the budget include the introduction of a CA\$15 federal minimum wage, and the protection of gig workers in federally regulated industries. Canada's early learning and child care strategy aims to

reduce fees of regulated child care facilities by an average of 50% by 2022, and to achieve an average cost of CA\$10 per day by 2026.

## Related resources

### Non-Mercer resources

- [Budget 2021 Job Creation](#) (Government of Canada, 19 Apr 2021)
- [A recovery plan for jobs, growth, and resilience](#) (Government of Canada, 19 Apr 2021)
- [Press release](#) (Government of Canada, 19 Apr 2021)

### Other Mercer resource

- [2021 federal budget](#) (Mercer, April 2021)

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