Office of the Superintendent of Financial Institutions Canada
Bureau du surintendant des institutions financières Canada
Office of the Chief Actuary
Bureau de l'actuaire en chef

2 September 2026

MEMORANDUM

To: **Commissioners of the Canada Employment Insurance Commission**

From: **Laurence Frappier (Office of the Superintendent of Financial Institutions Canada)**

Subject: **Estimated impact of recent announcements on the 2027 7-year forecast break-even rate and on the EI Operating Account**

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In accordance with the *Employment Insurance Act,* the 2027 Actuarial Report on the Employment Insurance Premium Rate was submitted to the Canada Employment Insurance Commission (CEIC) on 21 August 2026. The estimates presented in the report were based on the Employment Insurance (EI) provisions as of 22 July 2026. However, the estimates did not incorporate the following measures announced on 25 August 2026:

- Extend by one year the temporary EI measure to waive the 1-week waiting period,
- Extend by one year the temporary EI measure that allows workers to receive EI benefits without first using up their separation payments (such as severance or vacation pay),
- Extend by 8 months the temporary EI measure that provides an extra 20 weeks of EI regular benefits for long-tenured workers,
- Introduce a new temporary measure for one year so that workers who have voluntarily left jobs in recent months are no longer penalized when they want to access EI, as long as their most recent job loss is through no fault of their own,
- Increase supports to match workers with jobs on JobBank.gc.ca, including highlighting opportunities made available through investments in major projects, Build Canada Homes, and defence procurement, and
- Establish a new Workforce Retention and Retraining Program, combining the existing EI Work-Sharing program and Worker Retention Grant into a single, streamlined program designed to be more accessible and generous.

The CEIC asked the Actuary to evaluate the impact of including these measures on the results presented in the EI 2027 Actuarial Report. Tables 1 and 2 below outline the revised results which incorporate the additional measures. The expected cost of the measures was provided by Employment and Social Development Canada. All other assumptions, as described throughout the EI 2027 Actuarial Report, remain unchanged.

The table below shows the impact of the announcements on the 2027 7-year forecast break-even rate, namely an increase from 1.62% (unrounded 1.6193%) to 1.64% (unrounded 1.6358%).

Table 1 - Reconciliation of the EI Operating Account (EIOA) deficit as at 31 December 2026 and the 2027 7-year forecast break-even rate[1]

	Deficit in the EIOA as at 31 Dec. 2026 ($ million)	2027-2033 expenditures ($ million)	2027 7-year forecast break-even rate (%)
2027 Actuarial Report – before announcements	**15,176**	**290,415**	**1.6193**
Extension of certain EI temporary measures	324	1,744	0.0110
Simplifying rules on reasons for separations	84	567	0.0034
Enhancing job-matching with Job Bank	1	1	0.0000
Workforce Retention and Retraining Program (net cost)	37	169	0.0011
Other adjustments[2]	1	200	0.0011
Revised results – after announcements	**15,623**	**293,097**	**1.6358**

[1] Components may not sum up to totals due to rounding.
[2] The additional measures have a slight impact on other calculated components of the 7-year forecast break-even rate.

The table below shows a summary of the projected EIOA balances for 2026 and 2027, considering the above-mentioned changes. This is based on a 2027 premium rate equal to the 7-year forecast break-even rate of 1.64%.

Table 2 - Summary of the EIOA after announcements ($ million)

Calendar year	Premium rate	Premium revenue	Expenditures	Annual surplus (deficit)	Cumulative surplus (deficit) 31 December
2025					(15,144)
2026	1.63%	34,408	34,887	(479)	(15,623)
2027	1.64%	35,637	36,741	(1,104)	(16,726)