



The Certified General Accountants Association of Canada
Statement to the House of Commons Standing Committee on
Human Resources, Skills and Social Development and the Status of Persons with Disabilities

November 24, 2009

100 – 4200 North Fraser Way, Burnaby, BC V5J 5K7 Telephone: (604) 669-3555
1201 – 350 Sparks Street, Ottawa, ON K1R 7S8 Telephone: (613) 789-7771
www.cga.org/canada

Mr. Chairman and Honourable Members:

Thank you for the opportunity to appear before your committee today and to add the voice of the Certified General Accountants Association of Canada to many Canadian organizations and individuals who support Bill C-56. This proposed legislation will extend EI special benefits – maternity, parental, sickness and compassionate care benefits – to potentially more than two-million Canadians who are self-employed.

Permit me to remind Committee members that CGA-Canada represents 73,000 Certified General Accountants and students. You will find our members in industry, finance, government and public practice. They are respected accounting and financial management professionals.

Founded over 100 years ago, CGA-Canada establishes the designation's certification requirements and professional standards, offers professional development, conducts research and advocacy, and represents CGAs nationally and internationally.

Bill C-56, known as the *Fairness for the Self-Employed Act*, is an important piece of legislation to Canadians and to CGA-Canada and its members.

Canada's self-employed play an important role in the economy – whether we are talking about investment, job creation, productivity, innovation or skills and expertise. Over the past decade, the number of self-employed workers has increased by 9 per cent, representing today around 15 per cent of all employed workers in the Canadian economy.

Of the almost 200,000 professional accountants in Canada, approximately one in five is self-employed. Bill C-56 has a direct impact on this particular group of self-employed professionals – as owners of accounting practices and other small businesses, and also as consultants and advisors in tax, management, information technologies and human resources.

Over the last few years, CGA-Canada has seen strong growth in new members and particularly female members. So, naturally when CGA-Canada first looked at ways the EI system could be improved or made more inclusive, we did so from a gender point of view – from the perspective of self-employed women and the challenges they face as mothers and often as primary caregivers. When we consulted our members, they told us that since maternity benefits were not available to them, some delayed having children because of professional responsibilities. Others did not take on the challenge of building their career until their family was well established. Later in life, not taking care of aging parents was not an option for these women and their peers.

Bill C-56 removes the difference between employed and self-employed families who face the same care giving challenges – giving birth, caring for a newborn or newly adopted child, being sick or injured, or caring for a gravely ill family member.

This is an issue of equity and fairness. For the first time ever, self-employed Canadians will be brought into the EI system allowing them to opt into the program and be eligible to receive the very same special benefits currently available to salaried employees and wage earners. They will

be able to pursue their family and professional responsibilities without having to choose one and sacrifice the other.

CGA-Canada has long advocated on matters that are in the public's interest. Providing greater financial security and income protection to more individuals at this time is definitely in the best interests of all Canadians.

CGA-Canada also believes that it is not just an issue of extending benefits to allow self-employed workers to opt into EI benefits. It is about making measurable improvements to the existing system so that these new entrants are brought into a strengthened EI system. But, how do we accomplish this task? How do we improve the system and, at the same time, ensure the framework is economically viable and does not place an undue burden on the government, employers and employees who pay into the system? This is a tall order.

CGA-Canada would be remiss if we did not offer a cautionary note. We understand that the government expects the plan will be self-financing, though it can offer no guarantees since the program is voluntary and its sustainability depends on its uptake from self-employed persons. In effect, this means that a "*less-than-break-even*" or deficit situation is possible. Some concerns have been expressed that this could put pressure on government finances and/or have a detrimental impact on EI premiums where rates could increase.

Mr. Chairman and members of the Committee, thank you for your time this afternoon.

CGA-Canada looks forward to continuing to work with your Committee on this and other issues of mutual interest. I would be pleased to answer any of your questions.