

BACKGROUND NOTES ON BILL C-281

BILL C-281

Act to Amend the Bankruptcy and Insolvency Act, the Canada Business Corporations Act, the Employment Insurance Act and the Employment Insurance Regulations.

The Bill

- This Bill expands on Mr. Martin's earlier Bill, C-223 (An Act to amend the Bankruptcy and Insolvency Act – unpaid wages to have first priority in distribution)
- This bill adds:
 - Protection for employees' and retired employees' pensions in cases where the company's pension fund is under-funded.
 - Amendments to the *EI Act* and Regulations, to protect EI payments from being clawed back.
 - Amendments to *Canada Business Corporations Act* to allow for quicker payment to employees.
- This Bill puts employees of a bankrupt company at the top of the list of who gets paid.
- Currently, employees get paid their back wages, vacation pay, severance pay or other benefits only after all taxes, creditors and suppliers get paid.
- Under this Bill, payments would also be made faster with the appointment of an adjudicator.
- Retired employees have worked hard and earned their pensions.
- A bankruptcy could reduce their pension benefits if the company has under-funded their pension fund.
- The first priority in these unfortunate situations should be employees whose rents, mortgage payments and grocery bills depend on their next pay cheque.
- We have seen in recent years the personal tragedies that result from bankruptcies.
- This Bill makes changes so employees are treated fairly.
- An independent lobby of rank and file Steelworkers has been talking to MPs and urging them to support these changes.
- Both the NDP and Bloc support the Steelworker's efforts to change the bankruptcy laws.

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The Process

- Mr. Martin introduced his new Bill Monday November 15, 2004.
- Mr. Martin has decided to designate this bill as his automatically votable Private Members Bill.
- Under new rules introduced for this minority Parliament, each MP gets one Private Member's Bill brought before the House for consideration.
- Each MP drew a number to decide the order of priority; Mr. Martin drew number 11 and is the first New Democrat in the order of priority.
- Private Member's Bills will be debated for one hour per day.
- Every day one MP's bill will be debated, proceeding from 1 to 30. The process is repeated for a second round of one hour debates, proceeding from 1 to 30.
- After the first 30 MPs' bills are finished the House will move on to the next 30 MPs.
- MPs can change places with each other, which could change the order that these bills appear.