

Provincial business leaders to gather at Duke of Duckworth to watch federal budget

--FOR IMMEDIATE RELEASE

March 22, 2011, St. John's, NL – Richard Alexander, Executive Director of the NL Employers' Council (NLEC) and Bradley George, Director of Provincial Affairs for the Canadian Federation of Independent Business (CFIB) will meet at the Duke of Duckworth at 5:30 PM this evening to watch the 2011 Federal Budget and are available for media interviews.

Businesses in this province are concerned about potential changes impacting them in this year's budget, particularly surrounding federally regulated payroll taxes – Employment Insurance (EI) and Canada Pension Plan (CPP).

The NLEC is strongly opposed to increases in CPP premiums as proposed by the NL Federation of Labour and the Canadian Labour Congress. This country reputedly ranks high in the adequacy, sustainability and soundness of its pension system. Doubling the CPP contributions is both dangerous and unnecessary and would have long term negative impacts.

“Payroll taxes are job killers,” says NLEC Executive Director, Richard Alexander. “Mandatory increases in a payroll tax like CPP would have long term negative impacts on employment levels and salaries.”

Canadians should not be forced into one method of retirement savings, but rather be educated to assess their own circumstances and choose for themselves. The NLEC is supportive of the proposed Pooled Registered Pension Plan (PRPP) proposed by Minister Jim Flaherty in December 2010.

The NLEC will also be watching for any changes to the EI program in this year's budget. Employment Insurance is a major issue for employers in this province. The federal government recently lifted the freeze on EI premiums put in place during the recession and increased premiums. The EI operating account is expected to have a cumulative deficit of \$10.4 billion at the end of 2011. The organization believes, however, that before increasing premiums to eliminate this deficit, the government must enhance due diligence within the system to ensure it is being used as it was intended – as an insurance system. Employers in this province report frequent cases of employees asking for layoffs, and turning down offers of employment, due to eligibility for EI benefits.

“Employers and are essentially competing with the EI system for labour, a system that they help pay to run,” says Alexander. “This is a major issue for both employers and working Canadians and must be addressed before any increases in premiums or benefits are implemented.”

NLEC members are also interested in seeing what this budget will entail with regards to government spending, deficit reduction and corporate taxes. Photo and interview opportunities will both Alexander and George during and immediately following the budget at the Duke of Duckworth.

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The NLEC is the leading business advocacy group on matters affecting the employment relationship. Its membership employs over 50% of the province, excluding government.

Media contact:

Jaclyn Sullivan

Cell: 687-6552

E-mail: jsullivan@nlec.nf.ca.