

Proposal to extend parental leave worries business owners ^[1]

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EXCERPTS

As someone who is four months pregnant, Montrealer Sabrina Silvestri can certainly understand the appeal of Prime Minister Justin Trudeau's proposal to extend maternity and parental benefits under the employment insurance (EI) system to 18 months from one year. But as the marketing director for a small food company, Temple Lifestyle Inc., she is opposed to the policy, which she says puts more stress on the operation she runs with her husband Chris Magnone, who is the chief executive officer.

During last year's election campaign, Mr. Trudeau said his Liberal government would work with provinces on two new options: allowing parents to take a leave in shorter blocks of time over 18 months, or extending their parental leave to a full 18 months when combined with maternity benefits, albeit at a lower benefit level.

The government argues the options would provide parents with more flexibility without increasing EI benefits, which currently cover up to 50 weeks for eligible parents. Ottawa recently began consultations on the 18-month proposal, with a goal of releasing details about the changes in the next federal budget expected in the spring of 2017.

Ms. Silvestri said two of her 15 employees have taken maternity leaves in the past three years.

"It can be quite strenuous [for a small business], even under the existing EI policy," said Ms. Silvestri, whose company markets Thirsty Buddha coconut water and Hungry Buddha coconut chips, among other brands.

Ms. Silvestri says the extra-long leave is of particular concern to small businesses, because they are often in flux. Either the business is doing really well and growing rapidly, which means each role is constantly evolving, or the business contracts and the company doesn't need the same number of employees.

"A lot can change in 18 months," Ms. Silvestri says.

Temple Lifestyle is growing quickly, which is why Ms. Silvestri doesn't expect to take a full maternity leave, even under today's rules.

"It's nice to know that I have 12 months, but I don't think I would be able to take the 12 months and walk in and expect to be exactly where I was," when I left, she says.

Critics of the federal government's proposal say it mostly benefits wealthier families who can afford to be off work without full pay for a longer period. For small businesses, long absences or leaves taken in several shorter parcels can have a negative impact on productivity, and in turn, profitability.

"Our objection is the requirement that you hold jobs open for the expanded length of time," says Dan Kelly, chief executive officer of the Canadian Federation of Independent Business (CFIB), which is lobbying Ottawa to either drop the idea entirely, or exempt small businesses.

The CFIB did a survey showing that two-thirds of its members are opposed to the six-month extension. Among Ottawa's proposed changes to the overall EI system, Mr. Kelly said it's the one small business owners disagree with most.

"It's another provision for employees to balance work and family, I get it," says Mr. Kelly, who is also a father with an eight-year-old son. "But there would be no balancing for the employer in this environment. ... I don't think the government has thought through the pressure this would create."

Katie Dunsworth-Reiach, co-founder and principal of Vancouver-based Talk Shop Media Inc., a firm with 19 female staff members (and one male), feels the impact when employees are away on maternity leave for a year, especially in a consulting business where relationships are key.

That said, she's not opposed to extending parental leaves.

"We are in a people business and I don't see how, in good conscience in an all-female-owned business, where we are all supportive and

encouraging of each other's families, that we wouldn't give that same courtesy to our team," says Ms. Dunsworth-Reiach, a mother of two. Her company also offers a competitive maternity and paternity leave top-up, which she feels is not only the right thing to do, but helps with employee attraction and retention.

"You get back so much more than you give," Ms. Dunsworth-Reiach says of offering the extra benefits for parents. "They come back happy and appreciative to work somewhere that supports their family."

Still, Ms. Reich thinks many parents won't opt to take 18 months off work, for both financial and professional reasons.

"Just because the government prescribes it, doesn't mean it's what people are going to take," especially in an expensive city like Vancouver, she says.

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