

Liberals should consider overhaul of parental leave benefits, says study ^[1]

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The Liberal government should rethink federal parental benefits and overhaul a system that's leaving out too many families and women, according to a new study.

The study, published Wednesday by the Institute for Research on Public Policy, says the federal government should consider removing parental benefits from the employment insurance system and give it a new federal program to ensure that more parents can qualify for benefits.

Canada's employment insurance system has been in place for 46 years and, while it has evolved incrementally in those years, changes haven't kept pace with the needs of Canadian families or the labour market, according to the study.

Its author Jennifer Robson, an assistant professor of political management at Carleton University in Ottawa, compares the effectiveness of the federal parental leave and benefit system with the system in place in Quebec, taking into account related policies, such as regulated child care and income transfers to families with children.

She argues that, while EI maternity and parental leave benefits appear to meet the needs of many families, there are significant gaps in the system, especially for low-income families and parents with nonstandard employment, a problem likely to increase with the widening of the "gig" economy.

Robson says it all leads to questions of how inclusive the parental leave system really is, and whether a change in rules would mean parents aren't forced back to work sooner than they are meant to in order to make ends meet.

"Access to paid benefits, job protected leave, and then child care means that woman can move back into the workforce after having kids," says Robson. "But I think there's also this issue of, is the system right now working in a way that gives equitable coverage both on getting into the system but also being able to actually maximize the use of the benefits?"

In the fall of 2016, the federal government launched a public consultation on changes to maternity and parental benefits that would extend the time limit for collecting benefits from 12 months to 18 months, by offering either 50 weeks of nonconsecutive benefits or continuous benefits at a lower rate. The government's summary of those consultations indicates there is strong public support for a longer leave.

In the study, Robson argues for the extension of the time limit for collecting parental benefits, including the need for more flexibility for families and better coordination with provincial child-care systems. In her view, however, the government's proposed changes won't work for low-income families without additional reforms.

The additional reforms she suggests include:

- A more responsive and inclusive eligibility test so that more parents who work and already pay EI premiums are able to collect benefits;
- Targeted help for low- and modest-income families through the family supplement;
- Changes aimed at better coordinating EI benefits with income-tested child benefits; and
- Improved incentives for employers that top up leave benefits for their employees, to increase the coverage of lower-wage workers.

According to Robson, it isn't clear that parental benefits should remain within the current EI system over the long term. Some of the government's planned changes may make the current system work better in the short term, but this shouldn't be a substitute for a broader and more ambitious review of the current policy mix, with a view to better responding to the needs of today's working families, she notes.

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