

# Federal Budget 2018: Liberals pledge new leave option for 2-parent families <sup>[1]</sup>

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## EXCERPTS

The Trudeau Liberals took baby steps in their bid to reshape the social safety net Tuesday with a new, "use-it-or-lose-it" leave option for new parents and a modest increase in the value of a rebranded tax benefit for low-income workers.

Both promises are more than a year away from becoming reality, creating a campaign carrot for the Liberals to dangle before the 2019 election in the fight for the "middle class" vote.

The government's third budget — coming on the heels of two that created an income-tested child benefit and a long-term funding commitment to child care — promised new parents the ability to share either five or eight additional weeks of leave following the birth of a child, provided they also share the job of caring for the baby.

The \$1.2-billion measure, costed out over five years, would give parents — including adoptive ones — five additional weeks if they've opted for the traditional 12-month parental leave, or eight weeks under the new 18-month option, which received a cool reception when it was introduced late last year.

There won't be any boost in benefits for the extra weeks off, unlike the higher benefits provided under a similar program in Quebec. Nor will eligibility rules be changed to follow Quebec's lead, with experts suggesting some one-third of women outside Quebec won't be able to qualify for employment insurance benefit.

Still, the government hopes the measure pushes more non-birthing parents to take more time to care for a newborn, allowing mothers to get back into the workforce more quickly.

Nora Spinks, CEO of the Vanier Institute of the Family, called the measure a first step, noting there are still new parents that won't qualify and cultural barriers that may discourage dads from taking time off.

## Grandparents eligible for leave

Further steps could include expanding eligible caregivers to grandparents, incorporating an Indigenous perspective on the policy and ensuring similar benefits for single parents, said Andrea Doucet, a professor of women's and gender studies at Brock University in St. Catharines, Ont.

The use-it-or-lose-it leave isn't expected to come into effect until June 2019.

The budget also promises to allow new mothers and those on sick leave to keep more of their employment insurance benefits if they work just a few hours every month. The government doesn't expect the working-while-on-claim provisions — long a pilot project that the budget makes permanent — to change the number of Canadians working while on maternity leave.

The Liberals are also targeting low-income workers with a rebranded benefit — dubbed the Canada Workers Benefit — that will enrich and expand eligibility at a cost of \$1 billion. For workers earning at or below the poverty line, the changes will mean an extra \$170 a year to a maximum of \$1,355 for unattached workers, and \$2,335 for couples or single parents.

The Liberals estimate that 300,000 more workers will take advantage of the benefit, but not until the 2019 tax year, meaning the refunds won't actually arrive until 2020.

### Economist questions Liberal approach

But the measure lacks the teeth to make a serious dent in poverty rates, said economist Armine Yalnizyan, who noted that the changes may affect how much families receive in provincial and housing benefits. The tax refund will also be delivered annually — a potential problem for low-income families that often budget month-to-month.

"It definitely doesn't lift that many people above the poverty rate," Yalnizyan said. "You definitely can't call it an anti-poverty measure."

Hassan Yussuff, president of the Canadian Labour Congress, said the extra money will help, but that the Liberals still had far more to do to help people on the lowest end of the income scale.

*"You definitely can't call it an anti-poverty measure."*

Armine Yalnizyan

"If you really want to build the middle class, you've got to start with them because they have no chance of even getting into the middle class. There are still working poor in this country."

Workers are targeted in other areas of the budget: Extra benefits to employees who lose out on pay, vacation and severance when an employer files for bankruptcy; a promise to review the rules around protecting pensions; \$90 million over three years to speed up processing of EI claims; and an extra \$127.7 million over three years to make sure Canadians with EI questions can get through to someone at a call centre.

Paying for all the new measures will mean a bump in EI premiums paid by both employers and employees. The increase will come into effect in the fiscal year beginning in April, and continue an upward trend after taking into account new measures in Tuesday's budget.

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