

Modernizing maternity and parental employment insurance benefits: A policy brief ^[1]

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AVAILABILITY

Access policy brief online ^[2]

EXCERPTS

Policy Issue

New parents who take time off to care for their children often experience a significant loss of income. During this time, maternity and parental benefits provided through the federal Employment Insurance (EI) program are critical as they provide income, time, and job security to care for dependents. Women rely on and access these benefits most often. In 2017-2018 while the number of men accessing parental benefits increased, women still made up an overwhelming majority of claimants at 84.4 percent.

Over the years, maternity and parental benefits have grown within the larger EI program. Recently, the federal government implemented flexible benefit options to be inclusive of diverse family compositions and create incentives to encourage new parents to divide their parental leave with a partner, where applicable. While these updates are important, they do not address - rather they exacerbate - the divide between families that are able to access the benefits and those that are excluded from this provision. Key components of maternity and parental benefits such as the waiting period, the number of hours required to qualify, the family supplement income cut-off, and the benefit rate have failed to catch-up to current labour force realities. Over the years while benefit options have increased, they cover fewer workers and provide less support for less money than when the program was initially created.

Modernizing these components can ensure that EI maternity and parental benefits meet the needs of a rapidly changing labour market, while also building economic security for women as they need and access these benefits the most. A broader review of EI can ensure these components are modernized across benefit streams. The nonprofit sector across Canada consists of an estimated 80 percent of women workers, many of whom are the most marginalized workers in the labour market. ONN's recent research has found that women in the sector tend to see lower compensation, while very few organizations offer maternity and parental benefit top-ups. As a result, many women workers are particularly hit with a significant loss of income when taking maternity and parental leave.

For this reason, ONN recommends the following:

1. Eliminate the EI benefit waiting period for maternity and parental benefits recipients.
2. Implement an incentive structure for employers to offer maternity and parental benefit top-ups.
3. Re-calibrate the EI Family Supplement low-income salary cut-off for claimants to reflect the newly established official poverty line in Canada.
4. Reduce the qualification for EI maternity and parental benefits from 600 hours to 300.
5. Increase the benefit rate for EI recipients on maternity and parental leave.

Related link:

Region: Ontario ^[3]

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