

With start of meetings on EI review, businesses look for rethink of parental leave ^[1]

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EXCERPTS

One of the largest business groups in the country says a sweeping review of the employment insurance system should consider whether to turn parental benefits into a separate program.

It's an idea that has been floated previously, to hive off the special benefits for new parents from the EI system, given the growth in demand for the leaves, although how to finance it has been a key stumbling block.

Leah Nord, senior director of workforce strategies at the Canadian Chamber of Commerce, says the idea has been raised anew by businesses during recent meetings on the future of EI as one piece of a larger puzzle to modernize the decades-old system.

The Liberals have promised to unveil a road map for a renewed EI by September, and Employment Minister Carla Qualtrough was scheduled to start hosting regional roundtables about the future of the program.

In a tweet, Qualtrough said the meetings build on last fall's consultations with employer and worker groups about how to better support gig workers, self-employed and seasonal workers in the system.

Qualtrough also noted the need to improve support for workers during life events like the birth of a child or adoption.

On Tuesday, Qualtrough met virtually with labour groups in Newfoundland and Labrador, noting afterwards in a tweet that "EI is a critical part of a strong, fair economy, but too many Canadians still can't access it."

A worker who pays into the system has to work a specific number of hours to qualify for benefits, and must do so for each new claim they make.

Before the pandemic, the criteria to qualify for EI maternity and parental leave benefits left out about one-third of new mothers.

The government allows self-employed parents to pay into the system to receive special benefits, like parental and sick leaves, but take-up is low because many women entrepreneurs put money aside to fund their own maternity leaves, Nord said.

"It's sort of all or nothing under EI," she said. "We've actually argued an additional nuance here is to respond to the realities of work, and respond to the realities of working mothers."

But it's not the only issue where there are concerns.

There is also tension between business and labour groups over the Liberal government's plan to cover gig and cultural workers, a 26-week benefit for self-employed Canadians, and how to stickhandle skills training for unemployed workers.

Added into the mix are concerns that the EI account is expected to be in a deficit this year of nearly \$30 billion because of pandemic-related job losses that meant billions were paid out in benefits and less was taken in from premiums charged on paycheques.

The government's latest projections don't put the account back in balance until 2028. To get there, premiums will have to rise annually by the maximum amount allowed by law, going from \$1.58 to \$1.83 per \$100 of earnings.

"I've heard the minister and everyone talk about (EI) being viable and sustainable and accountable, but we also have to be realistic here," Nord said. "What's in, what's out?"

Region: Canada ^[3]

Tags: parental leave ^[4]

employment insurance ^[5]

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