

Mom stunned after maternity leave benefits cut by 50% due to CERB ^[1]

Lindsey Northrup says her last parental EI payment was reduced by \$500

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EXCERPTS

For the last three weeks, Lindsey Northrup has been receiving half of her parental leave benefits, which were already about half of what she makes when she's working.

"Some of my bills didn't get paid — they're going to be late," Northrup said. "It's frustrating and not my fault."

Northrup lives in Bloomfield, N.B., with her husband and eight-month-old son. She went on maternity leave from her job as a dental hygienist at the end of last summer.

She received a letter in March informing her she had a \$2,000 debt outstanding from the Canada Emergency Response Benefit (CERB).

Northrup said she didn't expect to have to repay the benefit — shortly after the COVID-19 pandemic hit in March 2020, she was laid off due to a shortage of work and qualified for the benefit. She stopped receiving payments after she went back to work in June 2020.

In November 2021, federal Employment Minister Carla Qualtrough issued a statement saying anyone who applied for the benefit before June 14, 2020 through Service Canada received an "advance" payment of \$2,000.

Those who were not entitled or collected CERB for less than 20 weeks would have an outstanding balance of debt, according to the statement.

After receiving the notice of debt in the mail, Northrup called the number on the letter to make a payment arrangement.

Northrup asked if she could pay off the debt when she returned to work in September. When the government employee said she couldn't do that, Northrup agreed to a monthly payment of \$32.

When she logged into her online banking app the following month, she saw her parental EI payment was short by over \$500.

She called the same number she had before and, after a long wait, an employee answered.

"He told me that the agreement must have been for a withdrawal of 50 per cent of my wages ... plus \$32 a month," Northrup said. "I definitely did not agree to that."

The whole experience has been "incredibly frustrating," Northrup said, adding that she was passed around on the phone.

"I wrote everything down on a note just so that I could have a good sequence in my head of what happened," she said. "But it's been kind of confusing."

Debt recoupment

In an emailed statement, Employment and Social Development Canada said what happened to Northrup is normal practice for recovering EI debts, including CERB.

"As part of the Government of Canada's response to the COVID-19 pandemic, ESDC put a pause on EI debt recoupment beginning in March 2020 to alleviate any financial strain on Canadian families," the statement said.

The pause ended March 21.

Northrup knows she's not alone. Her friend, Marissa Keleher, also had her parental benefits reduced last month.

"It's happening to me and to at least one of my friends that I know about," Northrup said. "How many other people are having this happen to them?"

Employment and Social Development Canada said the number of people who have had their maternity or parental benefits reduced due to

CERB debt is not readily available.

Parental benefits as care policy

The letters that Northrup and Keleher received about a month before their first deductions included a notice that their EI debt could be recouped through their benefits.

But Andrea Doucet, a Brock University women's and gender studies researcher, said she can see how a new parent would assume the clawback wouldn't apply to them — parental benefits aren't often thought of as employment benefits.

"That's a big communication error," said Doucet, who is also a Canada Research Chair in Gender Work & Care. "People refer to them as maternity and parental benefits."

She added that while federal parental leave policy has made progress on gender equality, it lags behind Scandinavian countries in its treatment of claimants as care workers rather than unemployed individuals.

"[If] it's a care policy then maybe there should be more care attached to it and recognize that it's not the same as [employment] insurance."

Doucet said more flexibility should be allowed for new parents when repaying debts.

"Perhaps when people go back to work, they could pay back some of it," Doucet said. "But it shouldn't affect families while they're in that situation of already living on a reduced income and ... caring for an infant."

Financial hardship

Keleher said she's had to fax about a dozen documents and field several questions from government employees to prove she is experiencing "financial hardship" in order to qualify for a payment plan.

When Keleher checked her bank account earlier this month and noticed the most recent instalment of her parental benefits had been cut by half, she was shocked.

Keleher lives in Saint John with her husband and seven-month-old son and took her maternity leave from managing a coffee shop starting in the fall. The family recently bought a house and Keleher said their bills have gotten higher.

She had also received a notice informing her of her CERB debt. She said she qualified for the benefit but expected to have to pay back the first \$2,000.

However, she didn't know it would be recouped through her biweekly payments.

"I just couldn't believe they would do that," said Keleher. "We just thought that was kind of aggressive, especially where I'm already making such a small amount of money compared to what I usually make."

Keleher has since negotiated a \$60 garnishment but hasn't yet received a payment reflecting that amount.

Region: Nova Scotia ^[3]

Tags: maternity leave ^[4]

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