

Entrepreneurs struggle with denial of parental leave: 'I didn't have the energy to be upset' ^[1]

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Source: CTV News

Format: Article

Publication Date: 18 Jun 2023

AVAILABILITY

Access online ^[2]

Excerpts

In 2021, the chief executive of Toronto-based brand promotions company Sampler had just given birth to her first child and, for the first time since founding her company eight years earlier, planned to take a break. She spent months co-ordinating with the board of directors and senior leadership about what responsibilities other staff would assume during her three months of maternity leave.

But after Chevrier Schwartz applied for parental benefits, she found officials didn't seem to trust that she had stopped working. In two interviews and an audit of her application, she said they questioned why her email signature and voicemail still said she was chief executive and whether she'd truly backed away. Chevrier Schwartz said she had been too caught up with her newborn to change her messages.

Eventually, an email arrived denying her the benefits because she was at "non-arm's length" from the company. She decided at that point to cut her maternity leave short, taking off just one month.

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Chevrier Schwartz's experience is not unusual among entrepreneurs, some of whom say they have been denied access to parenting benefits on similar grounds and feel Canada's policies penalize them for remaining involved in their businesses even during a leave.

They say it's time for the Canadian government to re-examine benefits for all company founders but especially women, who, on average, make less than men and are less likely to be entrepreneurs or make it to the C-Suite.

"It feels like another hurdle, yet another thing to overcome," said Krystyn Harrison, founder of Toronto-based coaching business Prosper, who discovered how hard it is to get parental benefits when she was researching the process for her pregnant co-founder in 2019.

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Those who are self-employed, run their own business or control more than 40 per cent of a corporation's voting shares have a separate program they can apply to for maternity and parental leave, sickness, family caregiver and compassionate care benefits.

However, that program has additional criteria. Applicants must register for the program at least 12 months before drawing benefits from it, decrease the amount of time they spend on their business by more than 40 per cent and have met an income threshold to be eligible.

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Asked about the difficulties entrepreneurs face in accessing benefits, Mila Roy, a spokesperson for Employment and Social Development Canada, said the government's latest budget proposed more financial supports for workers in seasonal industries and improving the recourse process for appeals.

"The government remains committed to modernizing the EI system," she said in an email. "However, the current and near-term economic context pressures caution against measures that could put pressure on EI premiums. The government must be careful about any decision that could make it harder for workers and employers to make ends meet."

Region: Canada ^[3]

Tags: parental leave ^[4]

female labour force participation ^[5]

gender equality ^[6]

gender gap ^[7]

[1] <https://childcarecanada.org/documents/child-care-news/23/06/entrepreneurs-struggle-denial-parental-leave-i-didnt-have-energy-be> [2] <https://www.ctvnews.ca/business/i-didn-t-have-the-energy-to-be-upset-entrepreneurs-struggle-with-parental-leave-1.6445899> [3] <https://childcarecanada.org/taxonomy/term/7864> [4] <https://childcarecanada.org/category/tags/parental-leave> [5] <https://childcarecanada.org/taxonomy/term/8939> [6] <https://childcarecanada.org/category/tags/gender-equality> [7] <https://childcarecanada.org/category/tags/gender-gap>