

# Loosen eligibility criteria to EI parental benefits to improve inclusion <sup>[1]</sup>

Some families are increasingly marginalized by the return to strict pre-pandemic eligibility criteria for EI parental benefits.

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## AVAILABILITY

Access online <sup>[2]</sup>

## Excerpts

Along with subsidized child care, parental benefits under the federal employment insurance (EI) program are an important policy tool to help families balance paid work and child care. While the birth or the adoption of any child brings expenses for every family, only some parents qualify for these benefits. Even worse, in September 2022, after two years of pandemic-inspired increased accessibility to maternity and parental benefits, the federal government quietly reinstated the tougher pre-COVID eligibility standards for families outside Quebec.

What does that mean for diverse families across Canada? That some families, such as immigrant and one-earner families, will be further marginalized, in contrast with other privileged families who are likely to get government support. Currently, the architecture of the Canadian parental benefit program reinforces social inequalities between “parental-leave rich” and “parental-leave poor” families.

Canada needs to draw lessons from the temporary changes implemented in EI that made access to benefits easier and from the Québec Parental Insurance Plan (QPIP), so that access to parental benefits becomes a tool to foster social inclusion.

## Insurable employment as a condition to access benefits

Parental benefits under EI in Canada are a labour market policy and not a care policy. It is a wage-replacement program that has historically been – and remains to this day – linked to activity in the labour market. When maternity benefits were first introduced by the federal government in 1971 under the unemployment insurance (UI) program, new mothers even had to prove they had been paid to work at least 10 weeks before conception.

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## Parental benefits in Quebec

In 2006, Quebec implemented its own program of parental benefits. Under the Quebec Parental Insurance Plan (QPIP), benefits are available to any parent earning at least \$2,000 during the previous tax year. Basing eligibility on flat-rate earnings, rather than on the number of hours worked, enables parents who are typically not covered by EI to qualify for QPIP benefits, such as part-time employees, contract workers, many students and the self-employed. Since then, the uptake of benefits has increased significantly in Quebec, while that has not been the case for the other provinces. Today, Quebec has the highest uptake of benefits by both mothers and fathers.

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## Looking forward

Factors other than eligibility criteria also have a determining impact on the uptake of benefits, including wage replacement levels and whether entitlement to benefits is on an individual basis (for instance, take-it or leave-it benefits) or are dependent on the partner’s uptake of benefits, as is the case in Canada outside Quebec. By both national and international standards, Canada does not fare well on any of these factors, with benefits paid at 55 per cent of income to the mother with a maximum ceiling of \$650 per week in 2023 and no individual entitlement to benefits for the father or second parent. Out of the 36 OECD countries, Canada (along with Japan) provides the least-generous wage replacement rates.

Access to benefits is a key component of economic and material well-being. Parental benefits have consequences not only on work-family balance, but also on families’ ability to provide and receive care. Restricting eligibility criteria can have unintended consequences that further compromise the well-being of vulnerable families.

Currently, we know little about families who are not well-served by the parental benefit program in terms of social class, immigration status and indigeneity. We also know little about the reasons some parents and families do not receive benefits.

**Region:** Canada <sup>[3]</sup>

**Tags:** parental leave <sup>[4]</sup>  
COVID-19 <sup>[5]</sup>

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**Source URL (modified on 1 Aug 2023):** <https://childcarecanada.org/documents/child-care-news/23/08/loosen-eligibility-criteria-ei-parental-benefits-improve-inclusion>

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