



Evaluation of the Employment Insurance Maternity and Parental Benefits

ABOUT EMPLOYMENT INSURANCE MATERNITY AND PARENTAL BENEFITS

Employment Insurance (EI) maternity benefits are only available to the eligible person who is away from work because they're pregnant or have recently given birth. EI parental benefits are available to EI-eligible parents. This allows either parent to take time off work to care for a newborn or newly adopted child. Budget 2017 and Budget 2018 introduced changes such as:

- allowing parents to opt between standard or extended parental benefits and
- providing additional weeks of benefits to parents who share parental benefits

Since 2006, new parents in Québec have been receiving benefits under Québec Parental Insurance Plan (QPIP) instead of EI. QPIP can be accessed at lower insurable earnings and offers more generous benefits, but at a cost of higher premiums.

KEYS FINDINGS



From 2006 to 2019, close to 72% of female parents and 81% of male parents were covered by the EI program. Of them, about 90% were eligible for maternity and parental benefits. These rates were lower than those observed under the QPIP, which has a lower entrance requirement.



While the participation rate of male parents was relatively low over the study period (below 13%), early results indicate that the recent changes to parental benefits significantly increased the rate from 13.6% in 2016 to 18.1% in 2019. This rate was significantly lower than the one observed for male parents under the QPIP, which has more generous benefits.



The vast majority (85%) of new parental benefit claimants opted for standard parental benefits. Those who opted for extended parental benefits were more likely to be high-income earners, have higher family income, in couples, working in large organizations, and receiving a top-up. Following recent policy changes to parental benefits, the sharing of parental benefits increased from 14.5% in 2017 to 19.9% in 2019.



Given that female claimants typically access maternity benefits first, more female claimants than male claimants served the waiting period in 2019 (159,000 and 25,000 respectively). As a result, a greater number of female than male claimants (14,100 compared to 1,800) had their first few weeks of benefits clawed back due to earnings during the waiting period.



Claimants who have lost their job before the birth/adoption of their child were less likely to access their full parental benefit entitlements. This is due to the 50-week maximum rule when regular and special benefits are combined. On average, each year of the studied period, 3,300 female claimants were impacted by the 50-week rule. This was compared to less than 500 male claimants. This is due to the combination of regular, maternity and/or parental benefits.



Longer maternity and parental benefits duration increased the likelihood for female claimants to work for the same employer after their parental leave, while the likelihood decreased for their partners. However, for all claimants, the likelihood of having higher future employment income decreased the longer they claimed benefits. Overall, the delivery (application process) of EI maternity and parental benefits was deemed effective. There was limited awareness of potential impacts on businesses of the recent changes.

RECOMMENDATIONS



- Explore approaches to improve eligibility and access for parents to maternity and parental benefits, in particular spouses and partners.
- Explore approaches to enhance flexibility for claimants who need to combine maternity and parental benefits with regular benefits.

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