

IMPROVEMENTS TO THE MATERNITY AND PARENTAL BENEFITS UNDER EMPLOYMENT INSURANCE

The current system of maternity and parental benefits has several areas that could use improvement including extending benefits to self-employed persons and allowing for more flexibility in the use of the benefits. By offering benefits that are more inclusive, and flexible, Canada will have a better opportunity to further encourage entrepreneurial development and ultimately grow successful businesses to help secure Canada's economic future. In addition these benefits will assist Canadian businesses to attract and retain highly skilled workers in a competitive and international job market.

Originally established as part of the Unemployment Insurance Act in 1971 based on recommendations of Royal Commission on the Status of Women in Canada (1968), maternity benefits have changed with society. For instance, the introduction of benefits for adoptive parents and the extension of parental benefits to the father.

The goals of the maternity and parental benefits program are the protection of the physical health of mother and unborn/newborn child; income security; early childhood education and care; gender equity; work-life balance; and increased fertility. With the shifts in society and the workforce, and the subsequent impact on these goals, businesses need to encourage changes to the maternity and parental benefits program that make the transition into parenthood as comfortable as possible for their employees:

1. **Self-employed:** The system presently does not provide benefits to self-employed women or men who decide to have children. Currently, the requirements for maternity and parental benefits are based upon minimum hours worked at a company. According to the 2006 Statistics Canada, women comprise 34 percent of self-employed persons. This group of women account for 5 percent of new mothers. Extending maternity benefits to self-employed women would have a minimal impact on the system. Parental benefits may have a greater impact than the maternity benefits, however both male and female self-employed persons comprise just 12 percent of Canada's employed labour force. One option to accomplish this change could be to switch to a wage earned criterion which could require a minimum of \$2000 earned in the past 12 months. This switch from an hours worked based criterion to a wage earned base criterion would extend the benefits to self-employed parents.
2. **Benefit Flexibility:** Employees are currently restricted to the duration and type of leave they take. The only option is to take the leave or return to work; there is no opportunity for parents who would like to work part-time. The potential benefit to employers for allowing an employee to work part-time instead of needing to temporarily replace that skilled worker full-time for a year is great. The risks associated with the potential loss of knowledge and procedure from the regular employee to the temporary worker would be minimized, thus saving the business. This option could potentially make the transition back into the labour force more seamless for a new parent. The part-time work arrangement would need to be determined and agreed upon by both the employer and employee.

Recommendation

The Canadian Chamber of Commerce recommends that the Federal Government introduce the necessary legislation to ensure that:

1. the requirements for maternity and parental benefits from hours based criterion to a wage based criterion which would extend these benefits to self-employed persons.
2. the option for maternity and parental benefits claimants to return to work on a part-time basis be introduced.

SUBMITTED BY THE SAINT JOHN BOARD OF TRADE