

New maternity and parental benefits

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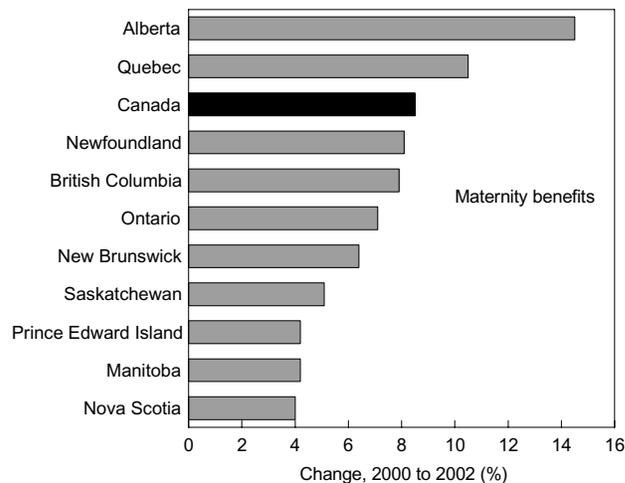
TO WHAT EXTENT ARE parents taking advantage of recent changes to the maternity, parental and adoption benefits available under the Employment Insurance (EI) program? (See *Data source and definitions*.) This report presents some statistics compiled from data provided by Human Resources and Development Canada. Note that the increase in the average number of parents receiving benefits each month could be a combination of more people qualifying under the new regulations and the extended length of time for which benefits can be claimed.

Maternity benefits

Between 2000 and 2002, the average number of women receiving EI maternity benefits each month increased from 49,700 in 2000 to 53,900 in 2002, an 8.5% increase. Provinces showing the least change were Nova Scotia (4.0%), Prince Edward Island (4.2%), and Manitoba (4.2%) while Alberta (14.5%) and Quebec (10.5%) recorded the most. (Analysis was not conducted in the territories because of the small number of beneficiaries.)

A large part of the increase can be explained by the reduction in the number of hours of insurable employment required to qualify—from 700 to 600 hours. This change allowed a monthly average of 2,200 more mothers to receive support in 2002, half of the increase between 2000 and 2002.

Mothers who qualified with less than 700 hours of employment generally had lower insurable weekly earnings since they were more likely to be part-time workers. In 2002, 5% of mothers receiving benefits



Source: *Employment Insurance Statistics Survey*

had insurable earnings of less than \$200 per week, but they represented 28% of those who qualified with less than 700 insurable hours.

Parental benefits

A monthly average of 4,900 parents who would not have qualified under the old program received parental benefits in 2002. These new qualifiers (4,700 mothers and 200 fathers) worked between 600 and 700 hours in the year before they requested benefits. They represented 2.3% of the average monthly number of fathers and 4.3% of mothers receiving EI parental benefits in 2002.

The coverage extension of parental benefits was particularly beneficial to women. While 93% of all beneficiaries were women, they made up 96% of parents in the category of qualifiers with less than 700 hours.

Dominique Pérusse is currently on leave. For further information on these statistics, contact Gilles Groleau of the Labour Statistics Division at (613) 951-4091 or perspectives@statcan.ca.

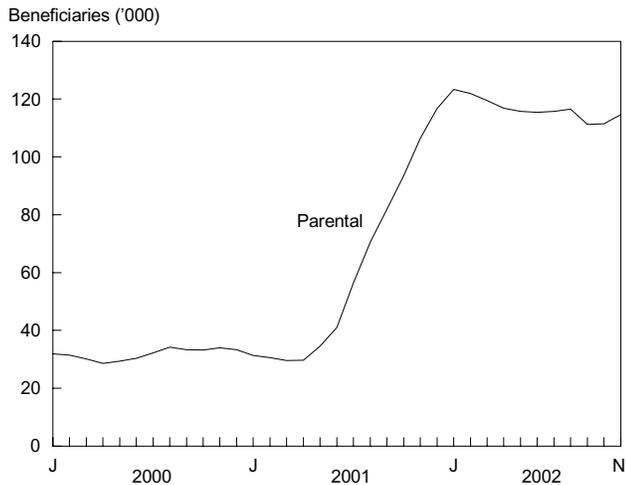
Dramatic increase in parental benefits

Since the recent changes to the EI program, more parents have been able to qualify for parental benefits, and for longer. The number of beneficiaries rose sharply from 31,400 in January 2001 to 123,400 in January 2002. Because 2001 was a transition year, the effects of the EI modifications were analyzed by comparing averages for 2000 and 2002.

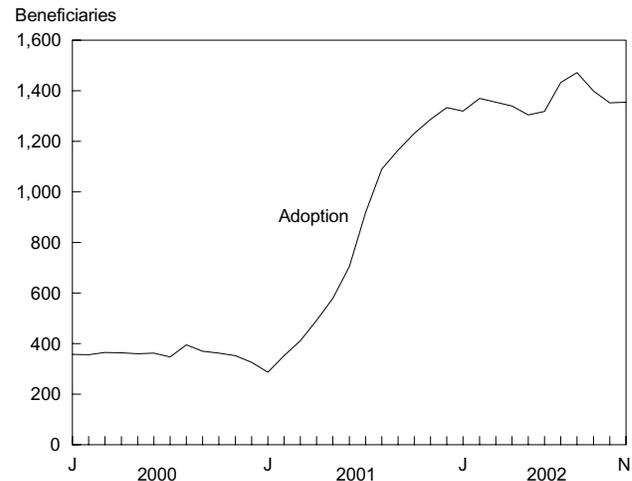
While those who adopt a child are not eligible for maternity benefits, they are eligible for 35 weeks of adoption benefits. As with parental benefits, these

weeks can be shared between the mother and father, and only one two-week waiting period need be served. The average number of adoptive parents receiving benefits each month nearly quadrupled between 2000 and 2002, rising from 400 to 1,400 per month, an increase comparable to that for biological parents.

Women accounted for 90% of parents receiving adoption benefits in 2000 and 88% in 2002. The proportions were larger for women receiving parental benefits—95% and 93% respectively.



Source: Employment Insurance Statistics Survey



Source: Employment Insurance Statistics Survey

Total benefits more than doubled

In 2002, for all three EI programs combined (maternity, parental and adoption), \$223 million was paid out each month in benefits. This was an increase of 119% over the \$102 million two years earlier.

Maternity benefits increased the least, 13%, to reach \$69 million per month. Parental benefits experienced the largest jump, rising from \$40 million per month in 2000 to \$152 million per month in 2002, nearly four times higher. Adoption benefits did about the same, increasing from \$0.5 million to \$2 million.

In 2002, maternity benefits represented only 31% of the total cost of the three programs, compared with 60% in 2000. On the other hand, parental benefits represented 68% of total payouts compared with 39% in 2000. The adoption benefits program remained marginal at a mere 1% of total benefits.

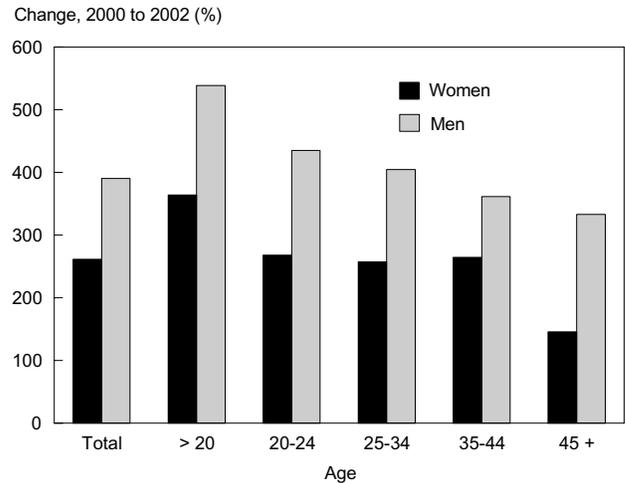
The shift in the proportion of payouts from maternity to parental benefits is easily understood. In 2000, the 15 weeks allowed for maternity benefits counted for 60% of the 25-week maximum for maternity and parental benefits combined. In 2002, those 15 weeks dropped to 30% of the 50-week maximum for the two combined.

Nearly four times as many women on parental benefits, five times as many men

In 2002, an average of 108,700 mothers collected parental benefits each month, 4 times as many as in 2000 when the figure was 30,100. Mothers younger than 20 had the highest increase—nearly 5 times.

Previously, fathers were required to serve a two-week waiting period if they wished to share benefits with the mother, who also had to serve a two-week period at the beginning of her claim for maternity benefits. The father is no longer required to serve the second waiting period.

The average number of fathers receiving parental benefits each month reached 7,900 in 2002, 5 times more than the 1,600 two years earlier.

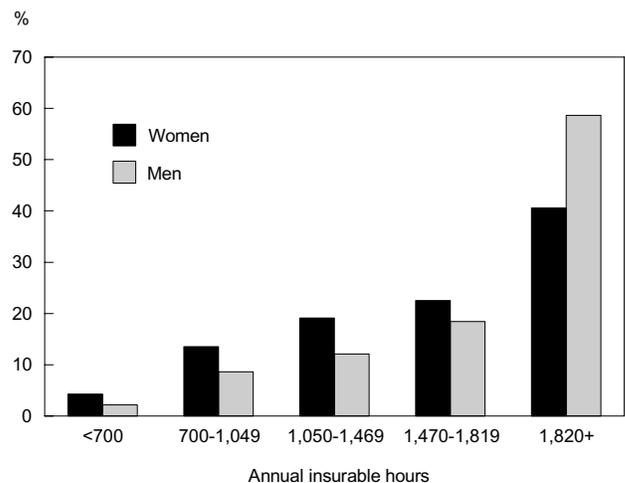


Source: Employment Insurance Statistics Survey

Women have fewer hours of insurable employment than men

Women in the labour market work fewer hours on average than men. However, once women reach the threshold of 600 insurable hours, they are entitled to the full maternity/parental benefits package of 50 weeks.

In 2002, nearly 6 in 10 men participating in the parental benefits program had accumulated 1,820 or more hours of insurable employment in the year preceding their parental leave, the equivalent of 35 hours or more per week. In comparison, 4 in 10 women had worked the same number of hours.

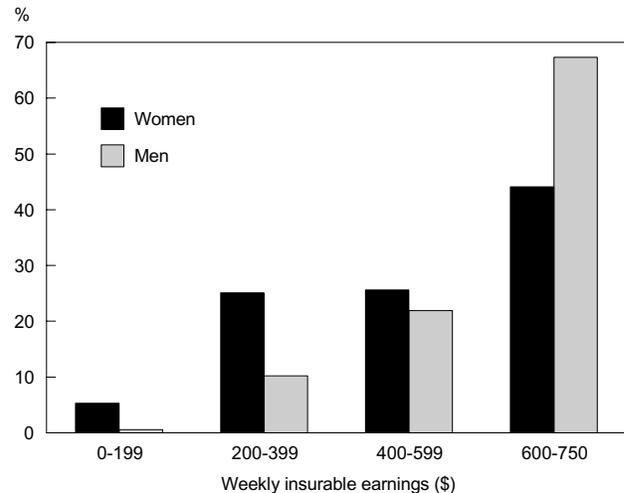


Source: Employment Insurance Statistics Survey, 2002

Women have lower insurable earnings than men

Women have lower average weekly insurable earnings than men. Lower earnings mean lower benefits, since benefits are equivalent to 55% of average weekly insurable earnings up to a maximum of \$413 per week.

Thirty percent of women receiving parental benefits had average weekly insurable earnings lower than \$400 during their qualification period, compared with only 11% of men. Similarly, during this period, 67% of men had average weekly insurable earnings of \$600 or more, compared with only 44% of women.



Source: *Employment Insurance Statistics Survey, 2002*

Data source and definitions

The Employment Insurance Program, administered by Human Resources Development Canada (HRDC), provides three types of benefits to parents: **maternity**, **parental** and **adoption**. While the HRDC Web site should be consulted for technical information regarding these benefits, the changes to the EI Program since January, 2001 can generally be described as follows.

From November 18, 1990 to December 30, 2000, the maximum number of eligible weeks of maternity, parental, and sickness benefits combined was 30 weeks. Legislative changes in effect since December 31, 2000 increased the maximum number of paid eligible weeks to 50—with a maximum of 15 weeks maternity benefits, available only to the biological mother, and a maximum of 35 weeks parental or adoption benefits, which can be shared by both parents, biological or adoptive.

Another legislative change, which went into effect on March 3, 2002, ensures that the 50-week EI eligibility period for parents is no longer reduced by the weeks of sickness benefits the mother may need during pregnancy. Since this change is very recent, it is too early to assess its impact. The use of sickness benefits is not covered here.

Hours of insurable employment

To qualify for maternity, parental or adoption benefits, claimants must have accumulated 600 hours of insurable employment in the preceding year. Prior to December 31, 2000, the number of required hours was 700.

Average weekly earnings

Benefits equal 55% of a claimant's average gross weekly earnings during the 26 weeks preceding the claim, to a maximum of \$413 per week. Weeks with little or no earnings (under \$150) are not included in the calculation of the benefit rate, although the hours count toward the 600-hour qualification requirement.

Average monthly number of beneficiaries

The administrative data from HRDC relate to people receiving benefits during the week that includes the 15th of the month. These data are updated monthly and are used to publish standard indicators related to EI benefits and claims. This report compares the average of the first 11 months of 2000 and 2002. (Data for December 2002 were not available at the time the report was prepared).