



What's New in HR Law

Federal Government Extends Parental Leave...Sort of

April 6, 2017

BOTTOM LINE

Proposed changes to Employment Insurance Parental Leave and Maternity Leave Benefits would increase the number of weeks for which pregnant women can claim benefits before their due date. The changes would also extend benefits up to 18 months, but the overall rate of compensation would be lower.

In its March 2017 Federal Budget, the Government of Canada addressed Employment Insurance ("EI") Parental Leave and Maternity Leave Benefits.

The good news for pregnant women is that the number of weeks for which they can claim EI Maternity Benefits before their due date could be bumped up to twelve (12) weeks from the current eight.

The Budget also proposes to allow parents to choose to receive EI Parental Benefits for a period of *up to 18 months* instead of the 12 months presently available.

While this sounds positive, there is a catch. Currently, EI Parental Benefits are available to employees while off work at a rate of 55% of the employee's average weekly earnings. The proposed changes would reduce that rate to 33% of average weekly earnings.

So, while these changes would see benefits extended over a longer period of time, individuals would receive a lower rate of compensation over the entire 18-month period.

It remains to be seen how many people will be able to take advantage of the extended period of leave given that no additional compensation will be available.

Notably, the Government of Canada is proposing amendments to the *Employment Insurance Act* and the *Canada Labour Code* to reflect these changes. It is not yet clear whether there will be any corresponding changes to the job-protected leaves available provincially, including under the Ontario *Employment Standards Act, 2000*.

Check the Box

If the proposed changes are implemented, employers that offer top-up pay for Maternity and/or Parental Leave will need to decide if any amendments are required to internal policies regarding:

- the length of time that top-up pay will be offered, and/or
- the amount of top-up pay that will be offered.

For further information, please contact Megan Beal at 905.972.6873 or your regular lawyer at the firm.



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