

22 Parental benefits are used by a growing percentage of fathers

Maternity, paternity, and parental leave and benefits provide parents with job security and financial support following the birth or the adoption of a child. Parental leave refers to the time that employees are entitled to take off work. Parental benefits are income payments provided to some parents while on leave. The amount received varies based on the recipient's income, the duration of the benefits, employer policies (i.e., top-ups), and their province or territory of residence.

Introduced in 1971, maternity benefits have been offered to employed mothers across Canada who meet the eligibility criteria. To this day, maternity and parental benefits (the latter introduced in 1990)¹ are provided through the Employment Insurance (EI) program. The only exception is Quebec, where maternity, paternity, and parental benefits have been offered through the Quebec Parental Insurance Plan (QPIP) since 2006. Since then, access to benefits has been easier in Quebec than anywhere else in Canada. To receive parental benefits through the EI program, parents need to accumulate 600 hours of insurable employment during the previous year.^a In Quebec, an income of \$2,000 in the previous year provides access to benefits. Under both EI and QPIP, benefits

are paid as a percentage of the applicant's income over the past year.

In 2022, nearly eight in 10 (79.8%) parents outside Quebec^b with a child aged 18 months or under had employment for which EI premiums were paid before the birth or adoption of their child (i.e., "insurable employment").² Among these new parents, 92.4% had claimed and received maternity or parental benefits, up from 89.3% in 2021.³ In Quebec, nearly all insured parents (99.3%) received benefits that year.

Parents who were not active in the paid labour market during the qualifying period are excluded from both EI and QPIP. In 2022, they represented about one in six (20.2%) of all parents with a child under 18 months (the other 79.8% had insurable employment).²

A different picture emerges when examining the situation of all new parents, regardless of whether they have insurable employment or not. For instance, in 2022, 74.0% of new mothers outside Quebec received maternity.^c In Quebec, that number was 87.8%.

In 2006, Quebec introduced "take-it-or-leave-it" paternity benefits (also available to the non-birthing mother in same-gender



couples). This change was followed by a major increase in the proportion of fathers with insurable employment who claimed or intended to claim benefits, from 27.8% in 2005⁴ to 92.9% by 2022.⁵ In 2019, the EI program also introduced incentives for fathers outside Quebec to take parental benefits. Although access to additional benefits is more restrictive under the EI program than QPIP, this change was followed by an increase in the number of fathers outside Quebec who wished to claim benefits. In 2022, three in 10 fathers (31.3%) outside Quebec with insurable employment claimed (or intended to claim) parental benefits, nearly triple the percentage in 2017 (11.9%).^{c, 6}

Not all fathers who reported that they “intended to claim” benefits actually did so. The actual uptake rates are lower than these figures from the Employment Insurance Coverage Survey. For example, the actual uptake rate in Quebec in 2020 was 70.0%,⁷ compared with the 78.1% of fathers who reported that they had claimed or intended to claim benefits that year.⁸ When fathers take paid leave, it is typically for a much shorter period than women.

Employers may choose to offer their employees a supplement to EI maternity and parental benefits. These “top-ups” are intended to compensate for some or all of the

difference between what parents receive from EI/QPIP and their regular earnings.⁹ In 2019, 30% of mothers of children younger than one year in Canada received top-up payments from their employer, up from 26% in 2009.¹⁰

Why this matters

Parental benefits play an important role in facilitating the transition to parenthood. Researchers have even linked parental use of QPIP with lower likelihood of relationship dissolution, suggesting that parental benefits can have a positive impact on the stability of couple relationships.¹¹

Parents who are not in the labour force receive little financial support from government programs when they welcome a new child, especially outside Quebec. Indigenous, immigrant, and racialized mothers have been shown to have lower uptake of maternity benefits.¹² Beyond this, little is known about the characteristics of parents who are not well served by the EI and QPIP programs. What is clear is that accessible benefits, high replacement rates, and “take-it-or-leave-it” paternity benefits that are not transferable to the mother are key elements that encourage more parents to use parental benefits.

^a These eligibility criteria were changed during the early months of the COVID-19 pandemic, making access to benefits easier for many parents.

^b Data from the LFS excludes the territories, persons living on reserves, full-time members of the regular Canadian Armed Forces, and persons living in institutions.

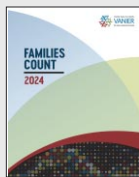
^c Statistics Canada. Employment Insurance Coverage Survey, 2022. Custom tabulation.



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