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SUPPORT FOR PARENTS IN A POST-PANDEMIC WORLD

Options for enhancing federal maternity and parental leave

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Summary 3

1. Introduction 6

2. Setting the context: Young families are on the ropes 8

The very high cost of living threatens family economic security 8

Indicators of economic distress are climbing 9

Young people are rethinking whether, or not, to become parents 11

Canada lags behind its peers in supporting children and families 11

3. Canada's dual parental leave system: How do the systems compare? 15

How do Canada's parental leave programs measure up? 16

Deep dive: Access to benefits 21

Left on the sidelines 24

Deep dive: Wage replacement rates 25

4. COVID-19 and parental leave in Canada 31

5. Redesigning parental leave 42

1. Raise wage replacement rates and bring Maximum Insurable Earnings thresholds in line with the Quebec Parental Insurance Plan 44

2. Expand access to the parental leave system 47

3. Enhance support for low-income families 50

4. Increase the flexibility of the parental leave system 52

5. Resolve conflicts between regular and special benefits that deny parents access to leave 53

Appendix 1: Program summary 54

Appendix 2: Evolution of Canadian parental leave program 55

Appendix 3: Maternity and parental leave coverage rates 57

Appendix 4: Methodology 59

Notes 61

Summary

Growing economic precarity and the absence of community support are pressing concerns for young parents—and young people aspiring to be parents. Governments have an important role to play supporting families caring for young children—ensuring that all parents have the time, resources and supports needed for all to thrive.

Parental leave programs are essential to this task, providing paid and protected time around the birth or adoption of a child. Yet compared to other high-income peers, Canada provides comparatively little financial support to new parents given the wealth of the country.

Canada's system of parental benefits under the Employment Insurance (EI) program is profoundly inequitable privileging families that have stable employment and higher income over families that are most in need of support, including single-mother families, low-income families, newcomers and the precariously employed.

The level of support offered to new parents is very modest and the eligibility criteria are restrictive. Inadequate financial support not only puts families at risk of falling into poverty but also deters parents from taking parental leave in the first place.

By contrast, the Quebec Parental Insurance Program, introduced in 2006, provides support to a much larger group of parents including low-income workers in non-standard work situations, while mandatory coverage of self-employed workers has boosted coverage of this group of parents who are largely excluded under EI.

Quebec's plan is also a more generous program, designed to replace a larger share of disposable income. It achieves this by setting a higher wage replacement rate—70 to 75 per cent—and a much higher maximum insurable earnings (MIE) threshold. Currently, new parents receive up

to a maximum of \$1,319 per week under the basic plan, twice the level of assistance available to parents receiving EI benefits set at \$695 per week in 2025.

The pandemic-era EI measures revealed what a more inclusive system could accomplish, not only with respect to parental leave but also access to caregiving leave more broadly. In 2021, 74 per cent among of all new parents with a child under 18 months received maternity or parental benefits, an increase of 8.8 percentage points from 2019.

The old, restrictive eligibility threshold for the EI program has since been re-instated and the \$500 minimum benefit eliminated, leading to a predictable drop in the coverage rate and average benefits among parents outside of Quebec.

As young families confront the very high cost of living, now is the time to move forward with permanent reforms to the EI parental leave system. Our report presents and evaluates strategies for creating a more equitable and effective program.

Recommendations

- Increase the standard wage replacement rate of maternity, parental and adoption leave to 75 per cent (and to 55 per cent for parents who choose the extended parental leave plan). This move would boost average parental leave benefit by **43 per cent**, from \$526 to \$752 per week and encourage **59,000 more parents** currently eligible for the program to take up benefits...and to use more of the weeks of leave available to them—especially among lower income families.
- Bring the Maximum Insurable Earnings (MIE) threshold into line with the Quebec Parental Insurance Plan, set at \$98,000 in 2025, and indexed to the annual change in average weekly earnings. A higher MIE threshold would automatically result in a higher maximum benefit rate of **\$1,037 per week** for the standard plan (55 per cent) and **\$622 per week** for those on the extended plan (33 per cent).
- Establish a lower pan-Canadian qualifying rule for EI's parental leave system for both salaried and self-employed workers (e.g., \$2,000 in annual earnings) modelled on the Quebec Parental Insurance Plan. Low- and modest-income parents would be better served.

- Increasing the wage replacement rate and setting a \$2,000 income threshold would be even more effective at creating an economically secure environment for the large majority of new parents. The number of beneficiaries would increase **by almost 67,000** in 2025, with the largest increases in the bottom two deciles. New families would receive an average of **\$745 per week, or \$31,000** over the entire period of leave.
- Institute a minimum benefit of \$500 to boost the benefits of low-income families. The average benefit of parents in the bottom family earnings decile would rise by **68.5 per cent to \$502 per week**. An income floor would also encourage higher take-up, with **more than 25,000 new parents** applying for support.
- **Increase the flexibility regarding the take up of leave**, building on European models where parents or caregivers can take leave either in one or several blocks of time, on a full-time or part-time basis, and/or spanning several years.
- Make the current Parental Sharing Benefit into a **non-transferable individual entitlement** disconnected from a co-parent's eligibility, with a longer leave option for single parents to encourage parental leave take up among fathers and second parents.
- **Eliminate the 50-week limit** on combined parental special benefits and regular benefits, extending the reference and benefit period to 104 weeks.

Inclusive, high-quality parental leave programs ensure that parents have the necessary time and financial resources to meet their children's critical health and developmental needs, in ways that accommodate diverse family forms and non-standard work situations and promote gender equity in both paid employment and unpaid caregiving.

Generous parental benefits similarly help to reduce economic disparities between parents of different means, preventing a fall into poverty at precisely the point in a child's life when the prevalence of poverty is historically the highest and the most devastating.

The economic benefits of such a system are substantial and accrue not only to children and their parents, but to employers, the community and larger economy as well.

1. Introduction

Governments have an important role to play supporting families caring for young children—ensuring that all parents have the time, resources and supports needed for all to thrive. Parental leave programs are essential to this task, providing paid and protected time around the birth or adoption of a child.¹

These programs help to get infants off to the best start possible and promote the health and well-being of all family members, facilitating child and parent bonding, bolstering family income, reducing work-life stress, and facilitating access to needed family and community supports.² Parental leave programs are especially important in protecting women’s connection to the labour force, ensuring women’s earnings, and promoting gender equity in both paid employment and unpaid caregiving.³ They are foundational to efforts to create an equitable and gender-just society.

Canada’s system of parental benefits was created over 50 years ago as a niche program grafted onto the much larger unemployment insurance system. That fateful decision led to the creation of a profoundly inequitable system that privileges families that have stable employment and higher income over families that are most in need of support, including single-mother families, low-income families, and the precariously employed.

Moreover, in couple families, Employment Insurance’s (EI) restrictive eligibility criteria and low-income replacement rates work to reinforce the economic vulnerability of the lower-income partner (most often the mother) and to deter the second higher-income parent (most often the father) from sharing in parental leave. The very design of the system reproduces gender bias in the labour market. Inadequate support for

caregiving limits women's full engagement in paid employment, a key reason behind women's over-representation in vulnerable, low-wage, precarious work and the inequitable division of caring labour in the home.

While Canada's system has evolved incrementally since the 1970s, these changes have not kept pace with the needs of families or the Canadian labour market. The experience of the pandemic highlighted, once again, the graphic shortcomings and entrenched inequities in Canada's parental leave system. In its pandemic response, the federal government took action to create an affordable, universally accessible system of high-quality child care. Now is the time to create parental leave policies that meet the needs of all families, especially low- and modest-income families currently struggling with the very high cost of living.

This report explores the strengths and weaknesses of parental leave policies in Canada, as well as recent policy reforms. The final section presents and evaluates strategies for creating an EI parental leave system that more equitably and adequately supports families with young children.

2. Setting the context: Young families are on the ropes

The gyrations of the labour market in the last five years have been particularly challenging for workers under age 35, including those raising young children.⁴ Younger workers experienced the largest employment losses at the height of the pandemic; now, they are bearing the brunt of the tariff-induced economic slowdown,⁵ compounded by significant population growth⁶ and a surge in the cost of living.

The very high cost of living threatens family economic security

Inflation has eased since hitting a 40-year high in 2022 and is now trending below two per cent, but the high cost of living persists. In October 2024, nearly three in 10 adults (28.8 per cent) aged 15 and older were living in a household that had found it difficult or very difficult to meet its financial needs. The rate was especially high among renters (39.2 per cent) and recent immigrants (41.2 per cent).⁷

The cost of raising a child has always been high. According to Statistics Canada, a middle-income two-parent family with two children can expect to spend over \$362,000 to raise that child from birth to age 17. A lower-income family will spend a bit less per child (\$294,000), but only by a small margin.⁸

These figures are based on spending patterns between 2014 and 2017, so it is safe to assume that the cost of raising children today is much higher, given the dramatic surge in the cost of shelter—the largest single component of a family’s budget, soaring food costs (including infant formula and diapers) and the high cost of child care for those without a coveted spot in the new \$10-a-day system.

Among renters in the private market, as many young families are, the burden is severe. In 2022, 34.8 per cent of low-income renters (those in the bottom quintile) spent more than 40 per cent of their income on shelter, while 31 per cent of low-income mortgage holders were in the same boat.⁹ Today, shelter costs are even higher—up 11.2 per cent between October 2022 and October 2024 compared to an increase of 5.2 per cent in the total Consumer Price Index (CPI).

Indicators of economic distress are climbing

The increase in rental accommodation is outpacing inflation and annual wage growth, which has averaged a healthy five per cent per year in 2023 and 2024, after years of stagnation.¹⁰ Positive wage gains in last two years, however, hasn’t been enough, particularly for workers who confront historic employment barriers.¹¹

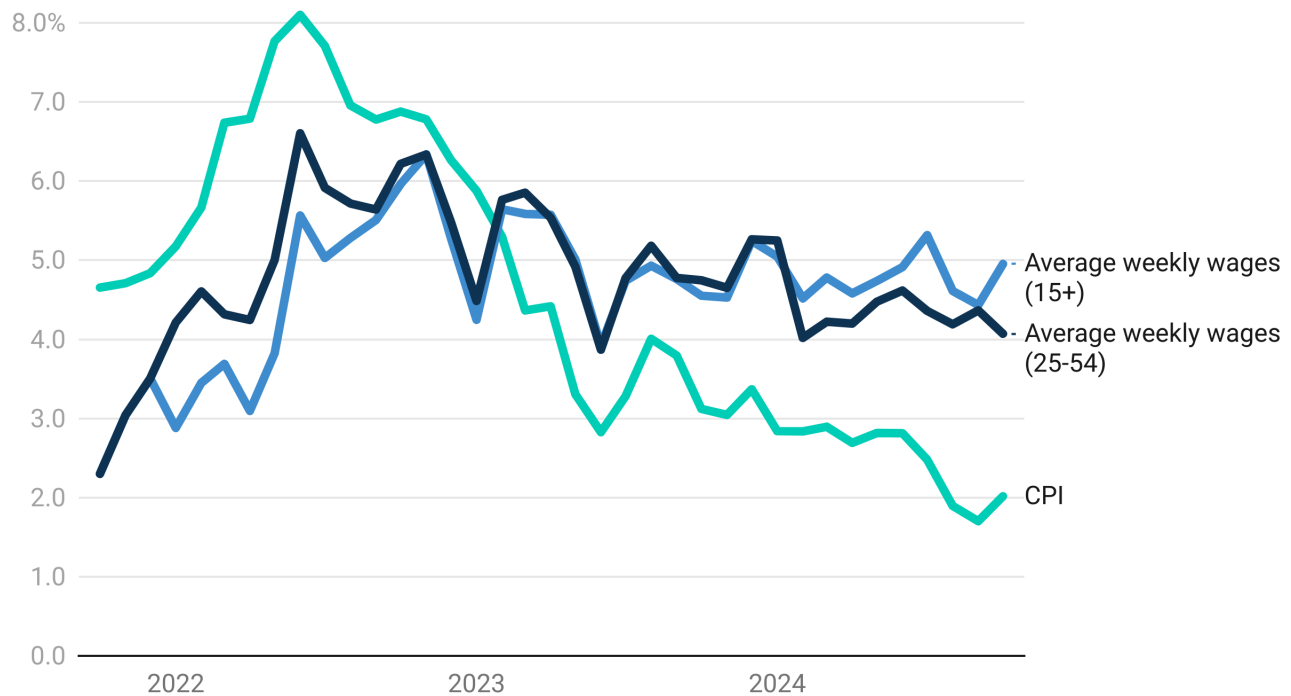
Poverty rates have already started to rebound with the winddown of pandemic era income supports in 2021.¹² Nationally, the overall poverty rate for all households rose from 13.3 per cent to 17 per cent between 2020 and 2022, surpassing the 2019 benchmark.¹³

As a result, many more families with children are living in poverty. In 2022, 829,860 families with children lived in poverty, representing one in seven families, and more than 1.4 million children aged from birth to 17 years lived in poverty. That’s an increase of 210,600 families compared to 2020, at the height of the pandemic—including almost 100,000 single-parent families.¹⁴

A good number of these families are holding down one or more jobs to make ends meet as the high cost of essential persists. Their income just

Figure 1 / Average weekly wage growth by age group vs inflation

Consumer Price Index (all items), year-over-year percentage change, October 2021-October 2024



Source Statistics Canada. Table 18-10-0006-01 Consumer Price Index, monthly, seasonally adjusted; Statistics Canada. Table 14-10-0065-01 Employee wages by job permanency and union coverage, monthly, unadjusted for seasonality.

isn't going far enough. Families on government assistance are in an even more precarious position.

It is not surprising that there has been an unprecedented increase in the number of visits to food banks. Food bank visits in March 2024 topped two million, the highest number in Canadian history—an increase of almost 90 per cent for pre-pandemic levels. One-third of food bank clients are children under age 18, nearly 700,000, including 93,000 children aged from birth to two years.^{15,16}

As the recent HungerCount 2024 report explains: “the relentless and non-negotiable force of housing inflation is amplifying the affordability crisis for those in the lowest income groups. As non-negotiable costs such as rent absorb more and more of this group’s disposable income, food takes a backseat and the likelihood of needing a food bank increases.”¹⁷

Young people are rethinking whether, or not, to become parents

Growing economic precarity and the absence of community support are pressing concerns for young parents—and young people aspiring to be parents. The high cost of housing and of everyday necessities is reducing the ability of young adults to meet important financial goals and impacting their thinking about whether or not to bring children into this world.

In a 2022 Statistics Canada survey, roughly four in 10 young adults (aged 20 to 29) did not believe they would be able to afford to have a child in the next three years; one in three didn't believe that they could access suitable housing.¹⁸

More recent survey data from Angus Reid reveals that more than half of potential parents are delaying having children longer than they would like because of financial concerns, including the cost of housing and child care. Of the total group surveyed, 37 per cent said they would “definitely” not have or raise a child in the future.¹⁹

In 2023, Canada's fertility rate hit its lowest rate in recorded history: 1.26 children per woman.²⁰ The reasons for the decline are varied, including higher rates of education and women's participation in the workforce. But increasingly, young people's concerns about the future, the scale of the economic challenges they confront, and lack of meaningful community supports have assumed much greater importance.

In general, there's been a decline in the proportion of adults (aged 15 to 34 years) reporting hopefulness about the future.²¹ In the third quarter of 2024, just half of adults aged 25 to 34 (51.9 per cent) reported being always or often hopeful about the future.²² We have yet to fully appreciate the scale and impact of this trend. As Chantal Braganza argues in a recent article, “If [society's] current generation doesn't see a future where they can house, feed, or care for the next one, it's in trouble—on an economic and existential level.”²³

Canada lags behind its peers in supporting children and families

Children's early years are critical in shaping their chances of health and well-being over their lifetime. Public policy has a key role to play in guaranteeing that children get the best start possible by ensuring that

families have the time, resources and supports needed to care for their children and that stark disparities in life chances are reduced.²⁴ Parental leave, child benefits and high-quality child care all provide a foundation for all children to thrive. Yet compared to other high-income peers, Canada provides comparatively little support, given the wealth of the country.²⁵

In virtually every public policy domain directly impacting young children and their families, Canada ranks in the middle of the pack. In 2016, there was a boost in spending associated with the introduction of the enhanced Canada Child Benefit. That said, Canada continues to compare poorly in terms of total public spending on families, ranking 24th among OECD countries, spending just 1.76 per cent of GDP, below the OECD average (2.10 per cent).²⁶

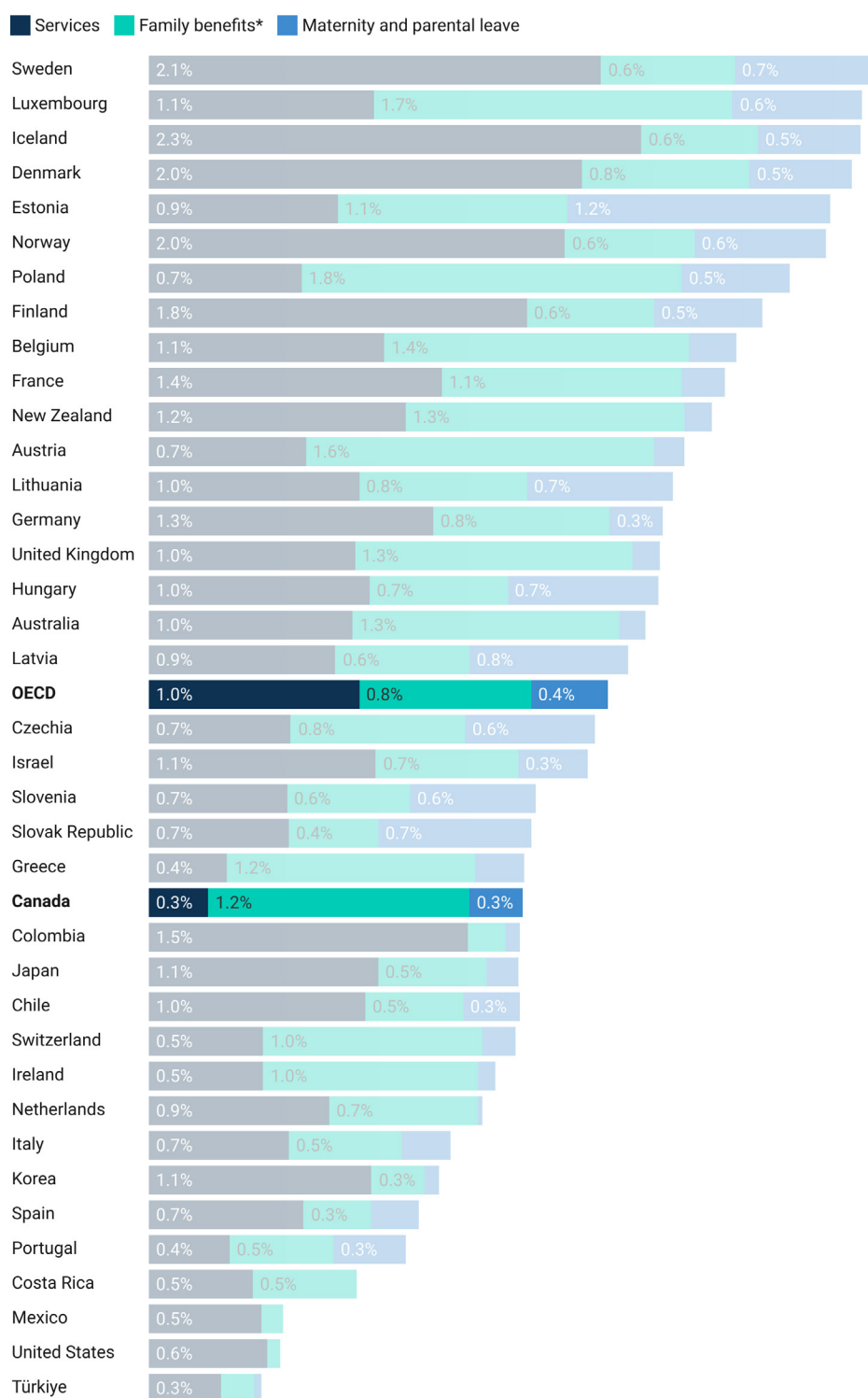
With regard to public spending on maternity and parental leave, Canada ranked 18th, spending 0.25 per cent of GDP.²⁷ In 2019, it spent an average of USD PPP 12,305 per child, considerably less than the OECD average of USD PPP 17,248 per child. There's been no appreciable change in Canada's public spending on maternity and parental leave benefits since the expansion of parental leave in 2001.²⁸

Canada fares particularly poorly with respect to spending on services for children and families. In 2019, Canada ranked **last** in spending on early child education and care (at 0.28 per cent of GDP) compared to top-performing countries like Iceland (2.32 per cent), Sweden (2.13 per cent), and Denmark (2.04 per cent). With the new federal child care program, we can expect the percentage of spending devoted to child care to rise, but Canada has a considerable distance to go to close the gap.

The experience of the pandemic graphically revealed the weaknesses of Canada's social safety net—including its supports for young families. The current cost-of-living crisis is exerting further pressures. Now is the time to strengthen Canada's support for families, taking a leaf from Quebec's innovative parental leave system, to address systemic disparities in access and to increase the low level of income protection currently on offer for families with young children.

Figure 2 / Public expenditure on families among OECD countries

Public expenditures (cash and in-kind) as a percentage of GDP, 2019



Note Family benefits includes all cash benefits with the exception of maternity and parental leave benefits. This chart does not include the value of tax breaks for families.

Source OECD Social Expenditure Database, <http://www.oecd.org/social/expenditure.htm>

Families with young children: Key statistics

In 2023, over 350,000 babies were born in Canada. Except for a baby bump in 2021, the number of infants born has been trending down since 2009.²⁹

There are roughly 1.6 million families with young children under age five living in Canada today.³⁰ As a result of population aging and decreasing fertility, young families represent a declining share of all families (16 per cent in 2021), as the number of families with older children or no children has grown more quickly in recent decades.³¹

Most young children live in couple families—both married and common law—especially very young children under age two years. And among children living in one-parent families, the large majority are headed by women.

Parents of young children under age five today are older, on average, than those from a generation earlier. The average age of mothers at childbirth has been increasing without interruption for nearly five decades, from 26.7 years in 1976 to 31.6 years in 2022.³²

Parents of young children are highly diverse racially and ethnically, with one-third (33.3 per cent) having immigrated to Canada.³³ Likewise, about one-third (33.9 per cent) of parents with young children were part of a racialized group in 2021.³⁴ Indigenous Peoples represented 5.3 per cent of parents of young children in 2021.³⁵

3. Canada's dual parental leave system: How do the systems compare?

Along with high-quality child care, parental benefits programs and job-protected leave are an important policy tools that help families balance paid work and the care of young children. Today, Canada has a complex system of supports for new parents, including two parental leave benefit programs for the care of newborn or adopted children: a federal program offering financial support to families outside of Quebec and the Quebec Parental Insurance Plan (QPIP) for Quebec residents.³⁶

These programs were introduced to enable parents to take paid time off from their job to undertake socially important care work, as well as to facilitate (in the case of maternity leave) mothers' recovery from childbirth.³⁷ As such, parental leave programs function as employment policies, notably designed to protect women's attachment to the labour market, as well as care policies for caregivers and young children, and social protection policies that help offset the financial strain on parents. Predictably, parental leave programs vary considerably with respect to program design and the balance between these different policy goals. They vary, as well, in program outcomes and the size of class and gender disparities generated by these policies.

Within Canada, there are notable differences between the federal parental leave regime and that of Quebec's, which more closely mirrors the social democratic model of the Nordic countries.³⁸ The next two sections describe Canada's two parental benefit programs, paying particular attention to the success of each in providing support to the diversity of Canadian families with children and the level of financial assistance on offer during a child's critical early years. It draws on recent data from Statistics Canada's 2021 Employment Insurance Coverage Survey (EICS) to help paint a portrait of current beneficiaries and those excluded from support.³⁹ The analysis also examines the impact of recent policy reforms during the COVID-19 pandemic on benefit uptake and family financial security. (For a summary of each program, see Appendix A.1).

The policy literature clearly demonstrates the impact of well-designed parental benefit programs that effectively deliver support to children and families, especially those in greatest need.⁴⁰ Inclusive, high-quality programs ensure that parents have the necessary time and financial resources to meet their children's critical health and developmental needs, in ways that accommodate diverse family forms and non-standard work situations, and promote gender equity in both paid employment and unpaid caregiving. Generous parental benefits similarly help to reduce economic disparities between parents of different means, preventing "a fall into poverty at precisely the point in a child's life when the prevalence of poverty is historically the highest and the most devastating."⁴¹ The economic benefits of such a system are substantial and accrue not only to children and their parents, but to employers, the community and larger economy as well.

How do Canada's parental leave programs measure up?

Federal parental leave benefits under Employment Insurance

Canada's parental leave system was launched almost 50 years ago with the establishment of maternity benefits for birth mothers under what is now called Employment Insurance (EI). Each year, roughly 170,000 mothers, over 220,000 parents (including mothers) and nearly 1,700 adoptive parents submit a claim for EI parental benefits to take a temporary leave from their workplace to care for a new child.⁴²

The federal plan currently provides 15 weeks of maternity leave and up to 35 weeks of standard parental leave (or 61 weeks of extended leave) for those parents who qualify under the EI program. In 2019, a “use it or lose it” parental sharing benefit was introduced. An additional five weeks of leave (or eight weeks of extended leave) is available to the other parent if they agree to take a minimum of five weeks. In order to be eligible, both parents must qualify for, and claim, parental benefits.⁴³ Adoptive parents are currently eligible for 35 weeks of parental leave; a new 15-week adoption benefit was promised in 2023, to be available in the coming months.⁴⁴

Only those parents who have at least 600 hours of insured employment in the year prior to a child’s birth are eligible for paid leave. Employees working full-time, full year on salary typically have little difficulty meeting this threshold which is the equivalent of working 37.5 hours per week for 16 weeks. But not so among the many parents, notably mothers, who work part time, on temporary contracts, or in the gig economy—in part because of the flexibility that these arrangements afford. In Canada, workers in “non-standard” employment—disproportionately racialized, Indigenous, disabled or from other marginalized communities—are structurally excluded from parental benefits, indeed all unemployment benefits. “The irony is that the very form of employment that mothers might choose to help them balance work and caregiving also reduces their access to maternity and parental benefits for subsequent children.”⁴⁵

The eligibility criteria for accessing EI parental benefits were widened to include the self-employed in 2011, but take-up rates have been very low. In order to qualify, self-employed parents must sign up for the program at least a year ahead of a benefit claim, meet a minimum earnings threshold, and demonstrate that they have reduced the time devoted to their business by more than 40 per cent. Once enrolled, self-employed claimants must pay premiums for the remainder of their self-employment career.⁴⁶ In total, 1,170 special benefit claims were established by self-employed workers in 2022-23, the vast majority by women (94.1 per cent) applying for maternity and parental leave benefits.⁴⁷ These claimants represented less than one per cent (0.4 per cent) of maternity and parental leave claims in 2022-23.

Parents who do qualify for parental benefits receive a standard 55 per cent of their average insurable weekly earnings up to a maximum of \$695 per week (as of January 1, 2025). Parents can also choose to take up to 61 weeks of extended parental leave at 33 per cent of their average weekly earnings, up to maximum of \$417 per week.⁴⁸

Low-income families with children under age 18 with net family income less than \$25,921 per year are eligible for the Family Supplement. The Family Supplement boosts the claimant's benefit rate from 55 per cent to a maximum of 80 per cent of their weekly insurable earnings, up to the maximum benefit rate. The average weekly Family Supplement under the federal program was \$45 per week in 2022-23. First introduced in 1996, the income threshold for the supplement has never been increased or adjusted for inflation.⁴⁹

Parents receiving parental benefits can also "work on claim". Claimants can keep 50 cents of their EI benefits for every dollar earned while on claim, up to a maximum of 90 per cent of their average weekly insurable earnings, after which benefits are reduced dollar for dollar. Given the comparatively low replacement rate, the option to earn additional income is an important consideration for some, sustaining their connection to the paid labour force. At the same time, it is another example of the economic inequities embedded in the federal program. Poor families don't enjoy the same right to provide uninterrupted care for their young children as higher-income families do.

Quebec Parental Insurance Plan

The Quebec Parental Insurance Plan (QPIP)⁵⁰ is part of a suite of family policies that the Quebec government first introduced in 1997, including its \$5-a-day child care program⁵¹ and an integrated child allowance (now called the Family Allowance). The Parti Québécois government took inspiration from Nordic countries, introducing a new family policy designed to improve child well-being and enhance women's opportunities in employment through the reconciliation of work and care.⁵² Quebec's new family policy marked a distinct departure, not only in the delivery of provincial child care services, but also from the established federal parental leave system.

The Quebec Parental Insurance Plan provides 18 weeks of leave to mothers or the birthing parent, in addition to 32 weeks that can be shared between parents, and an individual, non-transferable entitlement of five weeks of leave reserved for fathers or other non-birthing parents.^{53,54} Parents can opt for the "basic" plan as described or choose to take fewer weeks of leave at a higher rate of earnings replacement.

In 2021, additional weeks were introduced for parents experiencing multiple births as well as for single parents and adoptive parents, addressing longstanding inequities in the program. The Quebec government also increased the number of weeks of parental or adoption benefits available to couples sharing parental leave. An additional four

weeks is now available to couples under the basic plan—and three for those enrolled in the special plan—as soon as each parent reaches a minimum threshold, eight and six weeks, respectively.

Quebec's plan also differs from the federal program in offering benefits to the self-employed and requires only \$2,000 of insurable earnings—regardless of hours of employment—to qualify. Working at the province's minimum wage, a new parent qualifies for parental benefits after approximately 130 hours of work in the previous year, more than three-quarters less than in the rest of Canada. And there is no waiting period (currently one week in the federal program). Benefits start on the first day of leave.

QPIP replaces between 70 to 75 per cent of the parent's earnings (depending on the length of leave taken) up to a maximum of \$1,319 to \$1,413 per week in 2025.

Quebec offers an income-tested Family Supplement whose design matches that of the federal program, but the terms of which are much more generous. In 2021, the government raised the eligibility threshold for the low-income top-up from \$25,921 to \$28,080 and tied the threshold to changes in the minimum wage. It is currently \$32,760.⁵⁵ Individual income is now used in place of family income to determine eligibility. This change ensures that modest-income parents who are living with a higher-income partner aren't automatically excluded from the program—as they are elsewhere in Canada. Those who qualify are now eligible for up to 85 per cent or 100 per cent of their average weekly income, depending on the choice of plan.

Parents can also combine earnings and benefits. Claimants are allowed to earn an income equal to the difference between their average weekly income (income used to calculate their benefit) and the amount of their benefit without it being reduced. Beyond this amount, each dollar of work income reduces the QPIP benefit.

How do the plans compare?

Paid parental benefits should be for all parents and infants—in all their various combinations and diversity. While spousal earnings are the primary source of income for new parents, parental benefits play a key role in bolstering family economic security at a time when most families experience a large drop in household income.

In Canada, including in Quebec, parental benefit programs are first and foremost wage-replacement policies. These programs were not designed to support all parents as they welcome a new child but, rather, to help workers bridge a temporary break from paid employment. This has

resulted in large disparities in access not only between those engaged in the paid labour market and those outside of it, such as students or stay-at-home parents, but even among workers themselves, based largely on household income—in a system paid for by *all* employers and employees.

More than two decades of studies on parental leave in Canada demonstrate that program eligibility criteria, wage replacement levels, and program design (e.g., individual entitlement, waiting periods, etc.) are key factors in determining the quality of support available to new parents and their young children as well the gendered division of caring labour.⁵⁶ Both by national and international standards, Canada outside of Quebec does not rank very well.

Key points:

- The design of the Quebec Parental Insurance Plan (QPIP) is superior to the federal program in several respects. First, Quebec's system has a much lower threshold for access, providing support to a much larger group of parents, including low-income workers in non-standard work situations.
- While access to benefits is still premised on labour force attachment, QPIP has narrowed the sizable coverage gap that characterizes the federal parental leave program, which structurally excludes several categories of workers. To this end, mandatory coverage of self-employed workers has played a key role in boosting benefit take-up rates among self-employed parents in Quebec.
- Quebec's plan is a more generous program than the federal parental leave program. It is designed to replace a larger share of disposable income among a larger group of workers—including a larger swath of middle-income parents. It achieves this by setting a higher wage replacement rate—70 to 75 per cent—and a much higher maximum insurable earnings (MIE) threshold.
- Quebec's program also affords families greater choice and flexibility, not only with respect to the benefit rate and duration but also in how families distribute work and caregiving responsibilities. For example, parents can choose to take leave together and, with an employer's agreement, take the leave and benefits in non-consecutive blocks of time. Recent changes have further enhanced flexibility.⁵⁷

Deep dive: Access to benefits

In 1976, after maternity leave benefits were first introduced, the proportion of new mothers receiving benefits under the new program was 30 per cent. As women joined the labour market in greater numbers, the number of maternity benefit claimants climbed as well, peaking in 1992 at 53 per cent just after the introduction of parental benefits in 1990.⁵⁸ Coverage rates⁵⁹ took a dip in the 1990s as women's employment rates plateaued and more onerous eligibility requirements were introduced as part of profound changes to the unemployment insurance system introduced by the Liberal government in 1996. Under the new Employment Insurance program, workers had to work at least 700 hours in order to qualify for benefits, compared to the 300-hour threshold under the old system—impacting “regular” and “special” EI claimants alike.

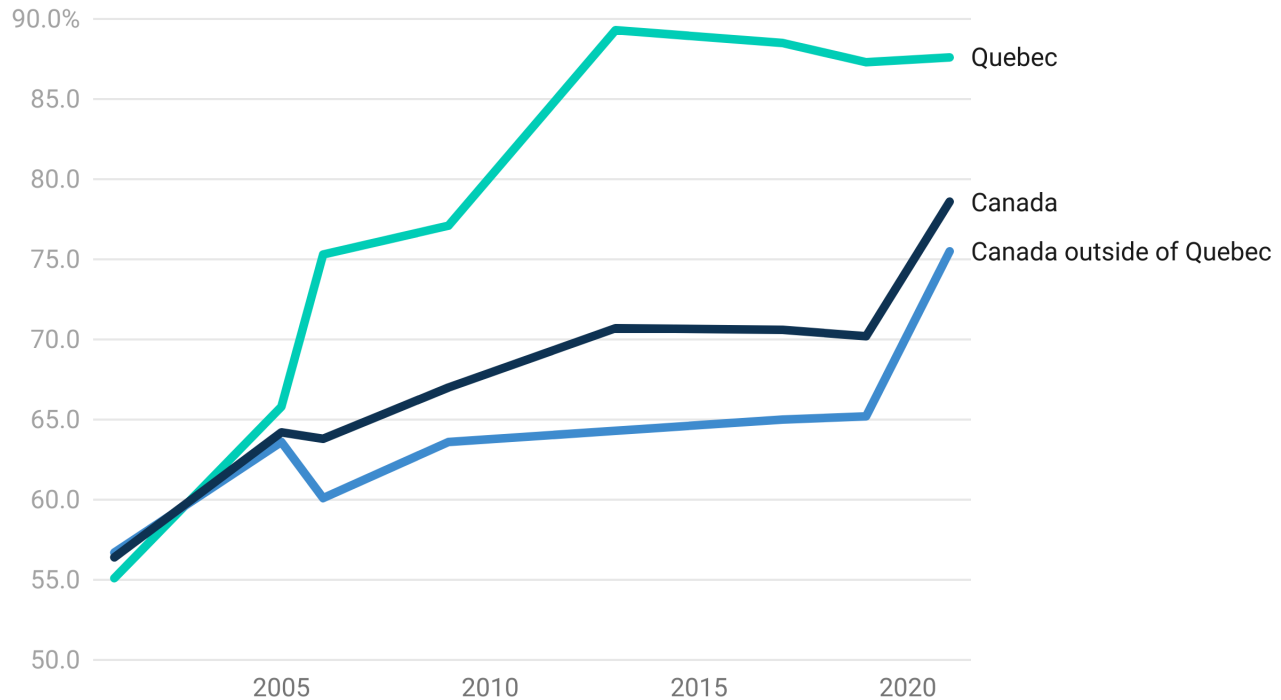
In 2000, in a surprise announcement, the government increased the duration of parental leave benefits from 10 weeks to 35 weeks and changed the rules around the waiting period as part of its children's agenda package. In addition, and most importantly, the threshold for eligibility was lowered from 700 to 600 hours of insurable employment. With this move, the proportion of all new mothers receiving maternity or parental benefits increased from 54 per cent in 2000 to 61 per cent in 2001. Almost 5,000 parents (including 200 fathers) who would not have qualified under the old rules were able to access parental leave benefits in 2001. The claim rate of fathers jumped as well from only three per cent in 2000 to 10 per cent the next year.⁶⁰

The number of maternity and parental leave claimants continued to rise in the early 2000s and then plateaued over the next decade at around 64 per cent among mothers (as shown in the Figure 3) and around 12 per cent among fathers.^{61,62} The introduction of the opt-in program for the self-employed in 2011 (roughly one in 10 female workers) did not appreciably move the needle, given its very low take-up. The coverage rate didn't see any significant movement until new eligibility rules were introduced in response to the public health crisis in 2020—a point discussed in detail below.

The introduction of the EI parental sharing benefit in 2018, however, did spur higher participation among fathers and second parents as intended. Parents who undertook to share parental benefits were eligible for an additional five weeks of leave. According to EICS data, the proportion of fathers who claimed or intended to claim EI benefits increased by 3.1 percentage points between 2017 and 2018, reaching 15 per cent.⁶³ The number of claims for the parental sharing benefit has

Figure 3 / Proportion of mothers with infants (0-12 months) receiving parental benefits

Quebec vs Canada outside of Quebec, 2001-21



Note The data are based on all mothers, not just those with insurable earnings, and they also include self-employed mothers who became eligible for parental benefits under the QPIP in 2006 and under EI in 2011. Parental benefits includes all forms of leave. The data for 2021 and onward represent mothers with children under 18 months.

Source Figures for 2001-17 from Sophie Mathieu, Andrea Doucet and Lindsey McKay (2020), "Parental Leave Benefits and Inter-Provincial Differences: The Case of Four Canadian Provinces," *Canadian Journal of Sociology*, 45(2) 2020; Figures for 2021-23 from custom calculations by authors.

continued to increase each year, more than doubling by 2022-23.⁶⁴ By 2021, just over one-quarter of spouses⁶⁵ of recent mothers (26.8 per cent) received or intended to claim EI parental benefits, reducing the still very sizable gap with mothers to 48.8 percentage points.

At the same time, change in access to parental leave benefits was unfolding at a much faster pace in Quebec after the introduction of the QPIP in 2006. The adoption of a lower earnings-based eligibility requirement of \$2,000 (still in effect) and the mandatory enrolment of self-employed workers immediately expanded the reach of the program.⁶⁶ For the first time, support was extended to non-standard workers, not only including the self-employed but also part-time employees, contract workers, students and gig workers—a workforce that is largely female

and highly racialized.⁶⁷ In 2016, for example, six per cent of all claims came from self-employed workers compared to only a fraction (0.3 per cent) of claims for maternity and parental leave under EI.⁶⁸

Eligibility for QPIP is still based on labour force attachment, but the adoption of a more inclusive eligibility standard has helped to reduce the entrenched gender bias in favour of higher-income workers in standard work arrangements—still clearly evident in the federal EI program.⁶⁹ As a consequence, benefit uptake among Quebec mothers increased substantially from 55.1 per cent in 2001 under the “old” EI system to 88.5 per cent in 2017, falling slightly to 87.6 per cent in 2021.⁷⁰

Similarly, the introduction of a *non-transferable* paternity leave with a comparatively high wage replacement rate akin to the “use-it-or-lose-it” policies in Scandinavia helped spur participation among fathers and other partners, from 16.4 per cent before the implementation of QPIP (2000–05) to an average of 79.8 per cent of fathers between 2012 and 2017. As a consequence, the participation gap between mothers and fathers in Quebec has narrowed significantly, from close to 50 percentage points between 2000 and 2005 to just 5 percentage points between 2012 and 2017.⁷¹

Participation rates among fathers and other partners remains high in Quebec. Recent administrative data suggest that claims from fathers dropped off during the first months of the pandemic but rebounded towards the end of the year.⁷²

When the QPIP was first introduced, most fathers applied only for paternity benefits. Many more are now applying for parental leave as well. The government has recently offered a new incentive, extending the duration of leave for parents who both take a minimum number of weeks of parental leave. The Conseil de gestion de l'assurance parentale estimates that the number of families sharing parental leave jumped by more than 4,000 between 2020 and 2021; the proportion of couples who met the eligibility criterion for the additional weeks also increased, almost tripling over this same period.⁷³

Quebec's plan has also successfully worked to reduce disparities in access to parental benefits between higher- and lower-income households. Household income is one of the strongest predictors of benefit uptake, along with being part of a dual-income family, level of education, and union status.⁷⁴

With the introduction of the QPIP, according to a 2016 study by Lindsey McKay, Sophie Mathieu and Andrea Doucet, the proportion of new mothers living in low-income families receiving parental benefits increased from 63.7 per cent in 2007 to 85.4 per cent in 2013, narrowing

the gap with mothers in higher-income families to about 10 percentage points. By contrast, fewer than half of low-income mothers in the rest of Canada (43.6 per cent) received parental benefits in 2013.⁷⁵

Access to parental benefits (and other forms of family support) continues to vary by household income—as our analysis of recent EICS data confirms—but geography matters. As a more recent study by the same authors concludes: “With regard to the take-up of parental benefits, it [is] better to be poor in Québec than to be rich in Alberta or Ontario.”⁷⁶

Left on the sidelines

There has been important progress in building out Canada’s parental leave system over the past 15 years, but some still don’t qualify for support. This group includes new parents who are engaged in paid employment but are not able to meet the threshold to qualify or are involved in self-employment and do not have any insured employment. As well, there’s a group of new parents, including students and many newcomers, who are outside of the labour market altogether.

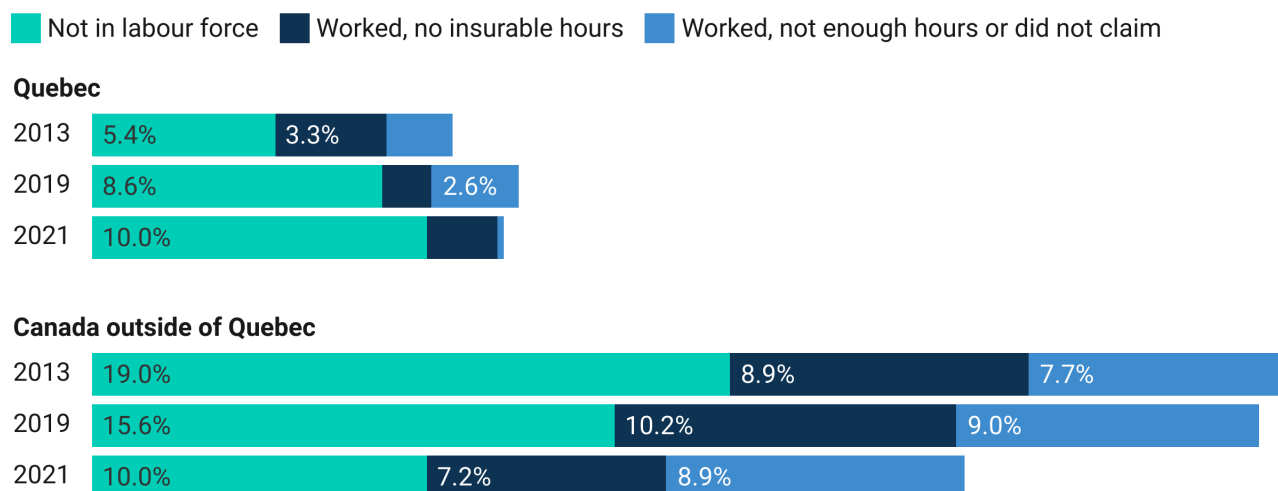
Through the 2010s, this group of “excluded” parents represented approximately 30 per cent of all parents of young children under age one, the largest share outside of Quebec. In 2013, for example, over one-third of new mothers outside of Quebec (35.7 per cent) did not have access to maternity and/or parental leave benefits. Almost half of this group had not worked in the last two years, while the remainder were involved in paid employment but did not have the hours to qualify, did not apply or did not have EI coverage.

The number of “excluded” mothers in Quebec is much smaller. With the introduction of the QPIP, the percentage of mothers who do not qualify for benefits decreased significantly. In 2013, 10.7 per cent of new mothers did not receive or have access to paid maternity or parental leave. The size of this group has changed little in the subsequent years, hovering between 11 and 12 per cent. Most of this group of parents are those without recent labour force attachment.

Many of Canada’s most precarious workers and many vulnerable families do not have access to protected and paid time to spend with their child during their critical first months. This includes young mothers with little or no prior work experience, new immigrants to Canada, and Indigenous parents.⁷⁷ Children and families who would benefit the most from access to parental insurance—especially in these times of sky-high

Figure 4 / New parents excluded from parental leave by reason, Quebec and Canada outside of Quebec

Selected years



Note Only mothers of children aged from birth to 12 months were surveyed in 2019. The figures for 2021 include the primary caregiver of children, largely mothers, from birth to 18 months to coincide with changes to the program.

Source Employment Insurance Coverage Survey, 2013, 2019, 2021. Calculations by author.

living costs—are least likely to benefit. They fully bear the very high cost of caring for infants on their own.

Deep dive: Wage replacement rates

The other key feature of the Quebec Parental Insurance Plan that sets it apart from the federal EI parental leave program is the higher wage replacement rate on offer. The “standard” federal plan provides 55 weeks of wage replacement, at a rate of 55 per cent of average weekly insurable. Parents can also choose a plan that extends over 61 weeks, at a rate of 33 per cent. In 2025, the maximum weekly benefits under each option were \$695 per week and \$417 per week, respectively.

By contrast, Quebec offers a “basic plan” that replaces 70 per cent of earnings over 55 weeks and a “special plan” at 75 per cent over 43 weeks. The basic and special plans each include a “use it or lose it” individual-entitlement paternity leave of three to five weeks, respectively. The Maximum Insurable Earning threshold is also much higher in Quebec,

compared to the federal plan—\$98,000 vs \$65,700 per year.⁷⁸ As a consequence, new parents have access to much higher financial support in Quebec, up to a maximum of \$1,319 per week under the basic plan. This is almost twice the level of assistance available to parents in the rest of the country.

These are the maximum benefit levels available to new parents. It's important to remember that many parents earn considerably less than the maximum thresholds and many aren't in the position to take the total number of weeks of leave available to them, given the low wage replacement rates, notably under the federal parental benefit system.^{79,80} These parents simply can't afford to take a leave from their job.

According to administrative data from Employment and Social Development Canada (ESDC), in 2022-23, the average weekly maternity benefit under EI was just \$541. Just over half of these claims (51.3 per cent) received the maximum weekly benefit rate.⁸¹ Among parents receiving the standard parental benefits, the average week benefit was \$560—\$606 among fathers and \$541 among mothers. Those opting for extended parental benefits received an average of \$359 per week—\$372 among fathers and \$327 for mothers. Just under 60 per cent of parents received the maximum weekly parental benefit.⁸²

To put these weekly figures into perspective, in 2022, a new mother outside of Quebec applying for parental leave benefits would have received an average of \$7,900 while on maternity leave and about \$17,700 in parental leave benefits.⁸³ This level of support is modest, to say the least, falling well below Canada's official poverty line in 2022 (\$48,583)⁸⁴ and the After-Tax Low-income Measure for a family of four (\$57,726).

By contrast, in 2022, Quebec mothers received an average of \$832 per week in maternity benefits—and \$620 per week in parental leave benefits. Fathers and second parents took home an average of \$505 in designated paternity leave.⁸⁵ These higher-wage replacement rates make a significant difference. Average maternity benefits are 1.5 times higher in Quebec compared to the rest of Canada—and the duration of weeks available is slightly longer (18 compared to 15 weeks). In 2022, new Quebec mothers received an average of \$14,555 in maternity benefits, almost twice the level of support available to new mothers outside of Quebec.

Parental benefits under QPIP are also higher than those available in the rest of Canada but by a smaller margin. The average duration of parental leave for Quebec mothers was slightly shorter, reflecting differences in the structure of the two plans (these figures refer to the standard and basic plans). On average, Quebec mothers received about

Table 1 / Average maternity and parental leave benefits, Quebec and Canada outside of Quebec, 2022

	Average weekly benefit	Average total benefit*
Federal EI Plan**		
Maternity leave	\$541	\$7,899
Parental leave—standard, non-sharing (mothers)	\$541	\$17,691
Quebec Parental Insurance Plan***		
Maternity leave—basic	\$832	\$14,555
Parental leave—basic (mothers)	\$620	\$17,982

Notes *Average total benefits = Average weekly benefit X average duration; ** In 2022-23, the average duration of maternity leave among new mothers outside of Quebec was 14.6 weeks. The average duration of parental leave among mothers who did not share leave with a partner was 32.7 weeks. *** In 2021, Quebec mothers took an average of 17.5 weeks of maternity leave and 29.0 weeks of “shareable” parental leave. Altogether, mothers took an average of 45.9 weeks of leave and fathers / second parents took 9.7 weeks. According to the 2021 EICS, Quebec mothers with the basic package took an average of 11.4 months of leave combined as compared to 10.3 months among ROC mothers who opted for the standard package. Benefit rates for mothers in Quebec based on December 2022 data.

Source Canada Employment Insurance Commission (2024), [Monitoring and Assessment Report, 2022-2023](#); Conseil de gestion de l'assurance parentale (2022), [Statistiques officielles sur les prestataires du Régime québécois d'assurance parentale, Décembre 2022](#)

\$18,000 in parental leave benefits, compared to \$17,700 among mothers in the rest of Canada.

Higher wage replacement rates are of immediate benefit to parents of young children, offsetting a predictable decline in household income. In 2021, more than half of young children's parents in Canada reported that they experienced a decline in their monthly income while on maternity or parental leave. Indeed, more than one in five parents outside of Quebec (22.2 per cent) experienced a decline of \$2,000 or more, compared to only one in 10 Quebec parents. These figures overstate the generosity of the EI system because, in 2021, a minimum benefit rate of \$500 per week was in place for part of the year—a point discussed further below.

High replacement rates are also important in encouraging take up—another critical dimension of the discussion of effective parental leave policy. As research from Europe has revealed, higher wage replacement rates (i.e., at least 70 per cent) are key to encouraging greater take-up, particularly among fathers. Non-transferable, “use it or lose it” quotas have also proven to be very successful in countries like Norway, as well as in Quebec.⁸⁶

As noted earlier, there is a family supplement available to all EI recipients with children whose household income is below \$25,921 per year. In 2022-23, these beneficiaries, the large majority of whom were

low-waged women, received an average supplement of \$45 per week, for a total average weekly benefit of \$408—much lower than the average maternity benefit of all beneficiaries (\$541). The supplement is a very small and complex program, impacting only 2.4 per cent (or 46,000) EI claims in 2022-23, including both regular and special benefits.⁸⁷ The proportion of EI claims receiving the family supplement has decreased steadily for over two decades, from a high of 10.7 per cent of all claims in 2000-01 because the income threshold has eroded in value. Less than one-third of low-income claimants with children (30.7 per cent) received the supplement in 2021, down from 61 per cent in 2007.⁸⁸

Quebec has just expanded its family supplement program by significantly raising its income threshold and instituting annual indexation to account for inflation. Those who qualify are now eligible for up to 85 per cent or 100 per cent of their average weekly income, depending on their plan. In 2023, this amounted to a bump of \$244 per month (or \$61 per week) for parental leave beneficiaries, up from the \$182 per month (or \$45 per week) that was offered in 2020, before the reforms came into effect. The higher-income threshold has also expanded the group of eligible beneficiaries from 3,599 in 2020 to 9,580 in 2023. Their share of total QPIP claims has likewise grown from 4.9 per cent to 12.3 per cent in three short years.⁸⁹

QPIP reforms introduced in 2021 serve to further magnify the deficiencies in both the design and level of support offered by the federal parental leave system delivered under the EI program. The considerable gap between Canada's two parental leave systems is now wider.

EI's wage replacement rates also fall well below international standards and norms. The international standard for maternity leave in the ILO Maternity Protection Convention is a minimum of 14 weeks, at no less than two-thirds of pay. Among OECD countries, only Ireland and the United Kingdom have lower average maternity leave pay than Canada,⁹⁰ replacing only 22.6 per cent and 30 per cent of gross earnings of the average worker compared to Canada's average rate of 34.8 per cent (35th of peer 37 countries).⁹¹

The average payment rate for EI parental leave is slightly higher, at 39.4 per cent (available to both mothers and fathers or second parents) pushing Canada up the rankings to 19th of the 27 peer countries that offer parental leave. This still constitutes inadequate support; most OECD countries provide payments that replace over 50 per cent of mother's previous earnings (taking maternity and parental leave into account).

Paid leaves earmarked or reserved for fathers or second parents tend to be far shorter than paid leaves available to mothers. On average, OECD

countries offer just under 13 weeks of paid father-specific leave, either through paid paternity leave or paid father-specific parental or home care leave. The new “use or lose it” parental leave in the federal EI program is five weeks in duration, replacing 39.4 per cent of gross earning. Canada ranks 29th among 35 peer countries with respect to earnings replacement.⁹²

While Quebec’s program exceeds the ILO standard for “maternity pay”, it, too, falls short of offering fully paid leave (i.e., at 100 per cent of previous earnings) that countries such as Estonia and Slovenia do. UNICEF argues that a wage replacement rate of at least 80 cent is necessary to support children’s essential needs and to encourage uptake of paternal or secondary parent leave.^{93 94} The province’s parental insurance fund is expected to exceed \$900 million over the next four years.⁹⁵ Further increases to wage replacement rates and greater flexibility may well be on the table as the province considers next steps.⁹⁶

Employer top ups

Employer wage top-ups to EI (or QPIP) benefits are another source of potential income for some new parents. Workers must first be eligible for Employment Insurance or QPIP to qualify for supplementary support. Because there is no statutory requirement to offer wage top-ups, access varies widely across employers by geography, size of company and union status, and so does the level and duration of support on offer.

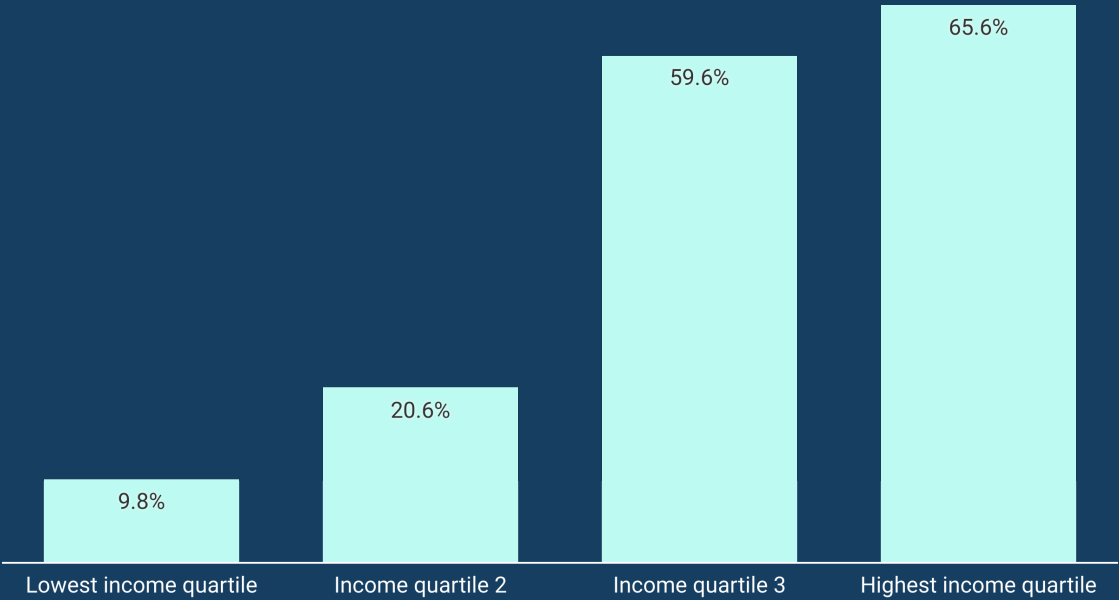
In 2022, over half of workers (aged 20 to 49 years) who had worked in the previous two years were eligible for supplemental maternity and/or parental benefit top-ups from their employer.⁹⁷ Access to supplemental benefits was slightly higher among female workers compared to male workers (55.7 per cent vs 51.8 per cent).⁹⁸ There are also significant differences in access between workers in permanent jobs and those in non-standard employment arrangements (i.e., on fixed-term contracts, in other seasonal, casual, and temporary agency works or working on their own).⁹⁹

The actual number of workers who have received top-up benefits is predictably lower. According to the 2019 Employment Insurance Coverage Survey, only 30 per cent of mothers with an infant under 12 months who worked as a paid employee in the previous two years received a top-up payment from their employer, an increase of four percentage points from 2009.¹⁰⁰

Our own analysis of the EICS suggests that there's been an increase in these figures in the aftermath of the pandemic. In 2021, four in 10 parents of children aged from birth to 18 months, the large majority mothers, received or expected to receive an employer top-up, 37 per cent in Quebec and 41 per cent in the rest of Canada.¹⁰¹ The rate of receipt was six times higher among higher-income parents than lower-income parents.

Figure 5 / Higher-income parents are more likely to receive maternity and parental benefit top-ups

Percentage of parents who report receiving or expecting to receive an employer top-up while on maternity/parental benefit by income quartile, 2021



Source Employment Insurance Coverage Survey, 2021, custom tabulation

4. COVID-19 and parental leave in Canada

Much of the change in access to paid parental leave in Canada has been driven by Quebec. With the launch of the Quebec Parental Insurance Plan in 2006, access to leave has substantially expanded; coverages rates are over 80 per cent and eligible parents now access over 90 per cent of the weeks available to them. The expansion of parental leave under the federal EI program in 2001 initially spurred higher take-up but there was little change between 2005 and 2018—the point at which the federal government brought in the parental sharing benefit to encourage fathers and second parents to take up parental leave.

The status quo was disrupted in 2020, as the coronavirus cut a swath across the country, challenging all individuals and families as well as Canada's systems of support such as Employment Insurance—which failed the test. At the height of the crisis, almost five million people had lost their job or were working reduced hours. Low-wage workers—comprised largely of women, youth, newcomers and racialized people—accounted for the largest share of these losses¹⁰² and subsequently experienced the most difficult recovery, impacted by recurring shutdowns and the massive increase in unpaid caring labour.¹⁰³ In short, those with the fewest resources to navigate the economic crisis bore the brunt. Large numbers of women ended up scaling back their hours or leaving

paid employment altogether—sacrificing their financial security and the security of their families.¹⁰⁴

It was immediately clear that Canada's Employment Insurance system was not up to the task of supporting millions of Canadians in need. The EI program, as structured, was not capable of delivering desperately needed support to all workers experiencing economic losses or processing the surge in applications. Before the pandemic, EI notionally covered roughly 80 per cent of the Canadian workforce but paid out benefits to less than half of workers experiencing unemployment.¹⁰⁵ When the pandemic hit, EI would have screened out those most in need, including young families.

The federal government stepped in quickly to extend assistance, introducing the Canada Emergency Response Benefit (CERB), a cash benefit of \$2,000 per four-week period, available to individuals who could not work due to illness, layoff or because of caregiving responsibilities. "Unlike EI, access was not dependent on past contributions, or the number of insurable hours worked, but instead on a uniform threshold of just \$5,000 in work income in 2019 or the 12 months before the application,"¹⁰⁶ including from self-employment and parental benefits, paralleling QPIP's approach. CERB eligibility criteria were later expanded to those earning less than \$1,000 over a four-week period—effectively capturing many precarious, low-wage female workers without access to other sources of financial support.¹⁰⁷ CERB and related federal pandemic income supports more than offset what would have been a precipitous rise in poverty and hardship.¹⁰⁸

Among prospective parents, there was immediate concern that they would not have the hours to qualify for financial support at a very uncertain and challenging time. Bringing a child into the world is always a charged moment, more so in the context of heightened fears and anxiety about the long-term impact of COVID-19. As it was, CERB provided an immediate financial bridge through the first months of the pandemic, supporting many (but not all) parents who would not have qualified for EI parental leave benefits. And then, in August 2020, the federal government announced that it was phasing out CERB to be replaced by a set of temporary reforms to the EI system and a new set of pandemic benefits to sustain Canadians as the pandemic dragged on. The centrepiece of the EI reform package was a substantially lower eligibility threshold: 120 hours of insurable employment instead of the pre-pandemic cutoff of 600. All EI special benefit applicants effectively received a one-time credit of 480 hours, retroactive to March 15th, "in recognition that labour market conditions remain uncertain and will take time to stabilize."¹⁰⁹ In keeping with the support provided under CERB, a minimum benefit rate was set at

\$500 per week (or \$300 per week for extended parental benefits) and the one-week waiting period was waived.

The temporary measures were in place for one year, from September 27, 2020 until September 25, 2021, at which time they were replaced by a second set of measures, which set the eligibility threshold at 420 hours for the next year. The minimum benefit rate was lowered as well, from \$500 per week to \$300 per week (or \$180 per week for extended parental benefits) for claims established between September 26, 2021 and November 20, 2021. On September 25, 2022, the Government of Canada reinstated pre-COVID rules, effectively increasing the eligibility threshold again to 600 hours of insured work, as it was in 2000.

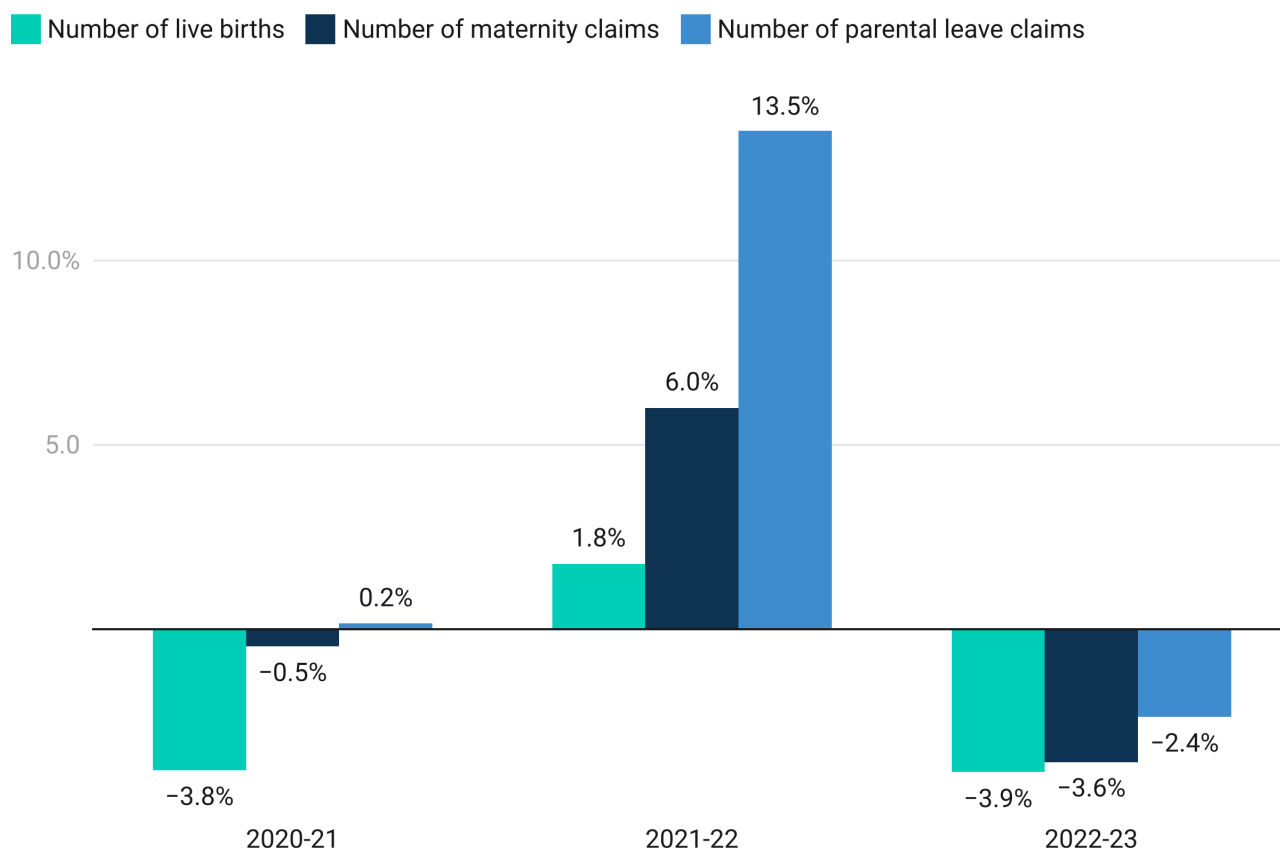
The economic crisis triggered by the pandemic opened the door to what might be possible with a more inclusive system to support for parents. Administrative data from the Canada Employment Insurance Commission reveals that there was a sizeable jump in claims for maternity and parental leave benefits between the first and second halves of fiscal year 2020-21,¹¹⁰ even as the number of live births declined. As Figure 6 shows, there was effectively no change in the number of maternity and parental leave claims between 2019-20 and 2020-21, the increases in the late months of the year offsetting lower take-up in the first half. But claims then surged in 2021-22, rising by 10,000 (or six per cent) and 28,800 (or 13.5 per cent), respectively, only to fall sharply the next year.

It is interesting to note that there was also a decisive increase in the number of female workers claiming regular EI benefits. In January 2021, nearly half (48.3 per cent) of the 1.5 million workers receiving regular EI benefits were women—five times the number in January 2020 and an increase of 12 percentage points in their share of recipients over this time.¹¹¹ This increase reflected both the scale of the economic crisis and its impact on female-majority areas of the labour force, as well as EI rules changes that extended program coverage.

There was a lot of speculation at the time about how the pandemic might impact fertility. Canada, like many other high-income countries, did see a large decrease in the number of births in January 2021 compared with the number of January births recorded in previous years. However, as Claudine Provencher and Nora Galbraith note, “[f]ollowing January 2021’s large decrease...the number of births quickly rebounded throughout the remaining months of that year. This recovery in the monthly number of births was strong and sustained until February 2022, when births once again experienced large year-over-year decreases throughout the rest of 2022.”¹¹²

Figure 6 / Recent changes in live births compared with EI maternity and parental leaves

Year-over-year percentage change in number of live births vs. EI maternity and parental leave claims, FY2019-20 to FY2022-23



Note Live births by fiscal year for provinces and territories excluding Quebec

Source Canada Employment Insurance Commission, Monitoring and Assessment Report 2022-23; Statistics Canada, Table Table 13-10-0415-01, Live births, by month

Large economic and social shocks, such as health emergencies and recessions, are known to influence decisions around childbearing. During the pandemic, here in Canada and elsewhere, a sizable group decided to postpone having children.¹¹³ There are, of course, many factors impacting fertility decisions, including personal goals, economic security and the availability of social support from family and the larger community. On this last point, the pandemic graphically revealed the critical role that the social safety net plays, or fails to play, in times of crisis.

The scope and scale of the response to the care crisis on the part of all governments in Canada was wholly inadequate to the task, as millions

of women stepped forward to take on the expanded care and educational needs of their families in the face of recurring public health-driven economic shut downs. Many not only lost income, they also struggled to access necessities and needed family and community supports.¹¹⁴ Marginalized women faced the greatest barriers, including women with disabilities, single-parent mothers, immigrants and precarious workers.¹¹⁵ Governments effectively “downloaded care responsibilities on to women without corresponding recognition or support”¹¹⁶—hardly an advertisement for parenthood.

At the same time, it can be argued that a temporarily more inclusive federal parental leave system helped to support the modest rebound in fertility rates in 2021.¹¹⁷ (We can also speculate that bringing back the pre-pandemic rules had a hand in the steep drop in fertility rates in 2022 as the cost of living crisis took hold.)

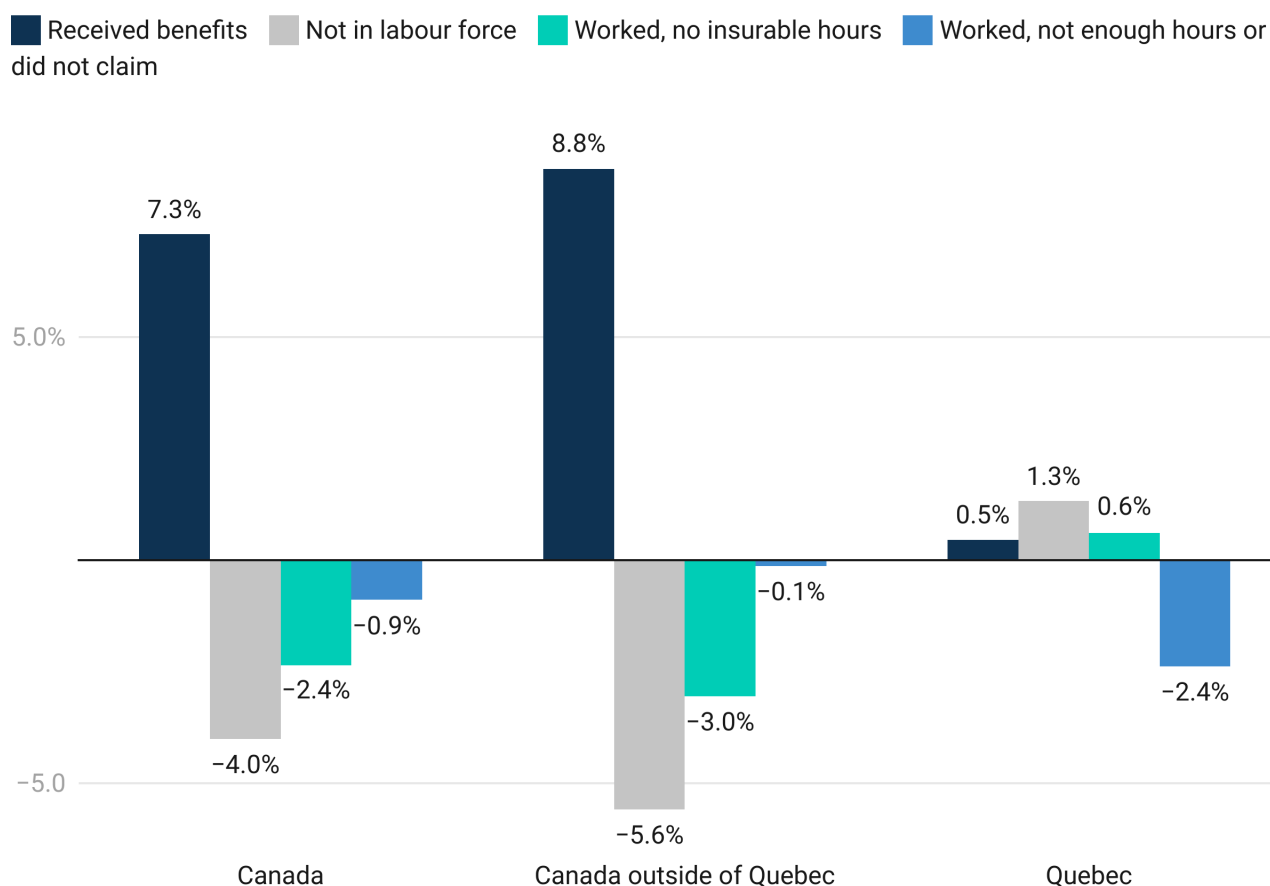
As importantly, the temporary changes boosted the financial security of young families at a time of great economic stress, contributing to a strong employment recovery in 2021 and 2022 that boosted the economic opportunities of workers including those confronting historic barriers to employment and women with caregiving responsibilities.¹¹⁸

Employment and Social Development Canada’s own research found that the two sets of EI temporary measures expanded eligibility for EI benefits and boosted the level of income support available to claimants compared to what would have been provided had no changes been introduced. During the first set of EI temporary measures (September 27, 2020 to September 25, 2021), when eligibility was set at 120 hours, 9.6 per cent of special benefit claimants would not have been able to qualify without the temporary measures. Just over half (53.7 per cent) of these beneficiaries had a higher weekly benefit rate than what they would have received under the old system. Those who benefitted from the temporary minimum weekly benefit rate of \$500 (\$300 for extended parental benefits) received, on average, an additional \$168 per week for their claims. During the second set of EI temporary measures (September 26, 2021 to September 24, 2022), when eligibility was set at 420 hours, 5.2 per cent of special benefit claimants would not have been able to qualify without the temporary measures in place. And one in 10 (nine per cent) benefitted from the minimum \$300 weekly benefit rate measure, receiving, on average, an additional \$67 per week.¹¹⁹

Likewise, data from the Employment Insurance Coverage Survey shows that more inclusive eligibility rules helped expand the reach of the program between 2019 and 2021. In 2021, among all new parents with a child aged 18 months or less, 77.5 per cent received maternity

Figure 7 / Change in parental leave coverage comparing Quebec and Canada outside of Quebec

2019-21



Note Only mothers of children aged from birth to 12 months were surveyed in 2019. The figures for 2021 include the primary caregiver of children, largely mothers, from birth to 18 months to coincide with changes to the program.

Source Employment Insurance Coverage Survey, 2019, 2021. Calculations by author

or parental benefits when their child arrived, including 87.7 per cent of parents in Quebec and 74 per cent of parents in the rest of Canada. This represented a significant increase in coverage notably among parents outside of Quebec. As Figure 7 shows, the proportion of these parents receiving benefits jumped by 8.8 percentage points from 2019 to 74 per cent in 2021, linked to an increase in employment in 2021 and a decline in the proportion of parents being screened out because of insufficient hours and/or employment. The coverage rate among new mothers was particularly high in British Columbia (78.8 per cent) and the Atlantic region (77.7 per cent), compared to the rest of Canada benchmark

Table 2 / Parental leave beneficiary profile by region, 2021

	Coverage rate	Took paternity benefits	Average annual income	Average benefit (all plans)
Canada outside of Quebec	74.0%	26.8%	\$55,822	\$518
Quebec	87.7%	71.9%	\$50,229	\$844
Atlantic region	77.7%	36.9%	\$49,353	\$466
Ontario	75.6%	26.3%	\$57,636	\$448
Manitoba and Saskatchewan	72.5%	24.5%	\$49,680	\$447
Alberta	64.0%	13.7%	\$54,170	\$476
British Columbia	78.8%	39.3%	\$58,191	\$457

Source Employment Insurance Coverage Survey, 2021. Custom tabulations

(74 per cent). Alberta had the lowest coverage rate among new mothers (64 per cent), consistent with the comparatively low rate of employment among mothers with young children.

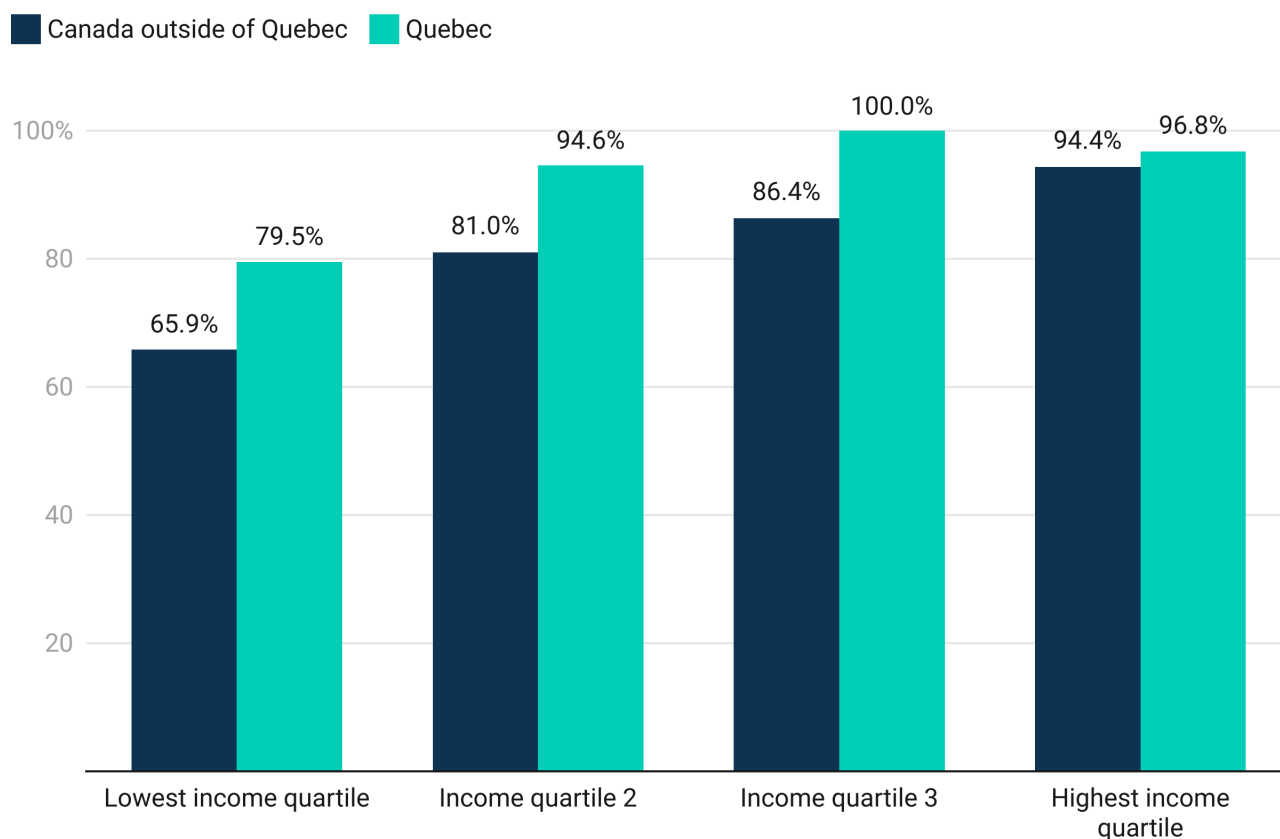
Similarly, in the provinces outside of Quebec, the proportion of spouses that claimed or intended to claim paternity or parental benefits increased between 2019 and 2021, from 20.6 per cent to 26.8 per cent.¹²⁰ Spouses in British Columbia reported the highest participation rate at 39.3 per cent in 2021, three times higher than spouses in Alberta at 13.5 per cent. Again, more inclusive eligibility rules and incentives to take up leave played a role. According to Statistics Canada, the number of spouses claiming or intending to claim parental benefit has continued to climb steadily in 2022 and 2023, narrowing the participation gap with mothers.¹²¹

The success in expanding the reach and impact of the federal parental leave system in 2021 is largely the result of the increase in uptake among low-income families, narrowing the gap between the “parental-leave rich” and the “parental-leave poor” as described by Lindsey McKay, Sophie Mathieu and Andrea Doucet.¹²² In 2019, 47.2 per cent of new mothers in the bottom earnings quartile (with hourly wages below \$19.61 per hour) claimed maternity and/or parental benefits, compared to 85.5 per cent to mothers living in top quartile families—a difference of 39 percentage points. In 2021, the coverage rate among parents in the bottom quartile had increased to 65.9 per cent and the coverage gap had narrowed by 10 points.

There was effectively no change in coverage among parents in the middle 50 per cent of the income distribution. Over 80 per cent of these parents were eligible for and claimed benefits in 2019 and 2021. There was, however, an increase among parents at the top of the income ladder

Figure 8 / Higher-income mothers with infants more likely to receive parental benefits in Quebec and Canada outside of Quebec

Percentage of mothers with infants 0-18 months receiving parental benefits by earnings quartile and region, 2021



Note The figures for 2021 include the primary caregiver of children, largely mothers, from birth to 18 months.

Source Employment Insurance Coverage Survey, 2021. Calculations by author.

as many more mothers with insurable hours opted to take benefits. The coverage rate of high-income parents, the large majority mothers, was almost universal in 2021, reaching 94.4 per cent. The easing of the eligibility requirements to access federal parental leave disproportionately benefited lower-income families, reducing, but not leveling, the income gradient in the distribution of benefits, as Figure 8 shows. Higher-income mothers and their spouses are still more likely to claim benefits than mothers and their spouses in lower-income families.¹²³

We see the same increase in parental leave coverage in 2021 among non-unionized workers both inside and outside of Quebec. In 2021,

79.8 per cent of non-union new parents living in the “rest of Canada” claimed parental benefits, an increase of 13.4 percentage points, making huge progress in closing the gap with unionized parents (82.5 per cent). In Quebec, 91.5 per cent of non-union parents claimed benefits, up 4.5 percentage points over 2019.

Similarly, under the new EI rules, there was a jump in coverage among non-permanent workers between 2019 and 2021, from 43.3 per cent to 60.3 per cent. There was also increase among immigrant parents of roughly 15 percentage points, from 53.2 per cent to 67.9 per cent. The employment recovery in 2021 generated new employment opportunities for historically marginalized groups and expanded access to critical supports like parental leave for new parents.

2021 may well be a high-water mark for parental leave coverage, pending future reform of Employment Insurance—or the introduction of a standalone program as exists in Quebec. In 2020 and 2021, there were sustained calls to build back better, to strengthen Canada’s public health system, employment standards and social safety net to position Canada for future crises. These calls have fallen on deaf ears. A new program for adoptive parents is being introduced, but there have been no changes to the underlying architecture of the EI parental leave system.

The economy has weakened since then, as the Bank of Canada pursued an aggressive campaign of interest rate hikes to drive down the rate of inflation. Job vacancies are down sharply across a range of industries while unemployment is edging up in the context of rapid population growth.¹²⁴ Young people and newcomers are bearing the brunt of the economic slowdown, competing for a limited number of openings, not only among themselves but with older, more experienced workers too. Intense competition in the low-wage labour market is keeping a lid on wages—and hugely exacerbating economic anxieties. The proportion of Canadians reporting that it is “difficult or very difficult” to meet their financial needs has surged over the last two years, up to 33 per cent.¹²⁵

Reinstating the old, restrictive eligibility threshold for the EI program, including parental leave, has led to a predictable drop in the coverage rate among parents outside of Quebec. According to the 2023 Employment Insurance Coverage Survey, the coverage rate among parents of young children has fallen by five percentage points since 2021, to 69 per cent. The level of coverage is still higher than before the pandemic (65.2 per cent) but it seems likely that if the employment situation continues to deteriorate, many more young families won’t have access to crucial financial supports to support their young children.

Good for parents and kids. Good for the economy and society.

Inclusive and generous paid parental leave delivers a myriad of benefits. It is part of the “child policy trifecta” as UNICEF Canada calls it,¹²⁶ that, along with children’s benefits and high-quality, nonprofit child care for getting children off to the best start possible.

Paid parental leave is beneficial, first and foremost, for the health of infants and their mothers. It ensures that parents have the time to bond with their young children and to meet their health and developmental needs at this critical time and across the lifespan. A robust body of literature demonstrates the many positive benefits of paid parental leave for children, mothers and families.¹²⁷ For example:

- Paid parental leave has been shown to reduce the risk of pre-term birth, infant mortality, as well as family violence and acute stress. Parental leave systems have been associated with a three per cent decline in infant mortality rates in high-income countries.
- Mothers are significantly more likely to immediately initiate breastfeeding, to exclusively breastfeed for the first six months, and to breastfeed for longer periods of time. A one-month increase in paid parental leave for mothers leads to more than a two-month increase in breastfeeding duration.
- Infants are also significantly more likely to have scheduled immunizations and regular health check ups.
- Fathers who take paternity leave are more involved in early child care and share household work more equally—all of which helps to support maternal well-being and positive family relationships.
- Evidence suggests that, in most settings, the beneficial effects of parental leave on child and parent well-being are most associated with the child’s first six months.¹²⁸

The economic benefits to paid parental leave are also substantial and accrue to families, employers and the larger economy. Paid parental leave prevents a substantial drop in income at a critical time, boosting the financial resources available to care for young children while sustaining the connection of parents—and mothers in particular—to the labour market.

- Paid parental leave has been associated with short- and long-term positive effects on family income. In high-income countries, for example, each additional week of paid parental leave is associated with a 4.2 per cent lower chance of single mothers living in poverty.

- Access to parental leave also facilitates increased gender equality in decision-making in the household, increased gender equality in the workforce, and greater long-term economic opportunities for women and families.
- Paid maternity leave is associated with higher wages and greater workforce engagement among mothers after the birth of their children—as has been demonstrated in Quebec.¹²⁹
- More generous parental leave policies are also associated with a lower risk of poverty among two-parent and single-mother families.
- Paid parental leave supports overall economic growth by increasing women's economic empowerment and enhancing the growth and competitiveness of businesses.¹³⁰

5. Redesigning parental leave

The time is right to re-envision a parental leave system where parental benefits are understood as they are in Scandinavia, “as a universal right of citizenship, including a right to care but also to be cared for.”¹³¹ The federal parental leave system works to ensure parents’ wages and reduce the financial strains associated with providing care for new children, in ways that are meant to help preserve maternal employment and foster a more equitable balance of caregiving labour. But the program in its present form is seriously flawed, generating and reproducing disparities between modest-income parents, many working in non-standard employment arrangements, and parents with higher income and better access to supports of all kinds, including paid employer top-ups.

This report has focused on two key areas, namely the groups of new parents who do not meet EI’s eligibility rules and the comparatively very low-wage replacement rates that both work to depress benefit take-up and compromise family economic security. The Quebec Parental Insurance Plan has done a much better job of extending support to a range of families—offering better benefits and more flexibility around the timing and sharing of parental leave. Parental leave is still attached to labour force participation, but the threshold is very low. Reforms introduced in 2021 have further enhanced the benefits on offer to low-income families.

There’s a strong case for moving special benefits out of the EI system and funding it through general revenues. Such a program could be designed in such a way to ensure universal access to benefits that

deliver meaningful support throughout a child's early years. The federal Liberal government hinted at such a system in its 2019 election platform, calling for a new "guaranteed paid family leave", a program that would ensure the parents who don't qualify for EI or only receive a very modest benefit would receive enhanced support, potentially via the Canada Child Benefit.¹³² Canada is long overdue for an ambitious review of the policy mix for working families.

In the interim, it is imperative to expand eligibility and increase the level of financial assistance on offer. The temporary measures introduced in 2020 threw open the door to doing things differently and showed what a more inclusive system could accomplish with respect to parental leave and access to caregiving leave—particularly for vulnerable families.¹³³ Such reforms would substantially narrow the gap between parental-leave-rich and parental-leave-poor households and enhance the financial security of new parents undertaking vitally important care work during a very challenging economic time.¹³⁴

The next section discusses several recommendations for enhancing the EI parental leave system so that it more equitably and adequately supports families with young children. Where possible, we have used Statistic Canada's Social Policy Simulation Database and Model (SPSD/M)¹³⁵ to estimate the impact and cost of these proposed reforms.¹³⁶ (Please see Appendix A.4 for a discussion of our methodology). The SPSD/M results are based on an analysis of new parents with children under the age of 18 months living outside of Quebec. For ease of analysis, we have established "standard plan" equivalents for the 18 per cent of parents currently choosing "extended plan" parental leave.¹³⁷ The figures below represent projections for 2025.

This report has relied on available survey and administrative data. It should be noted that there are still large gaps in what we know about the use of parental leave and the needs of parents of young children particularly among marginalized groups. It is vital to expand efforts to generate and disseminate disaggregated information on parental leave and other income support programs in Canada.

1. Raise wage replacement rates and bring Maximum Insurable Earnings thresholds in line with the Quebec Parental Insurance Plan

Canada's average parental leave pay fares very poorly in comparison to peer countries, falling well below international standards and norms. The level of support offered to new parents outside of Quebec is very modest. Inadequate financial support not only puts families at risk of falling into poverty but also deters parents from taking parental leave in the first place. Raising the wage replacement rates would significantly boost the value of support on offer and encourage greater take up of benefits, particularly among fathers and second parents as evidence from Quebec and countries with stronger programs clearly demonstrates.

Recommendation

Increase the standard plan EI wage replacement rate of maternity, parental and adoption leave from 55 to 75 per cent (and from 33 to 55 per cent for parents who choose the extended parental leave plan).

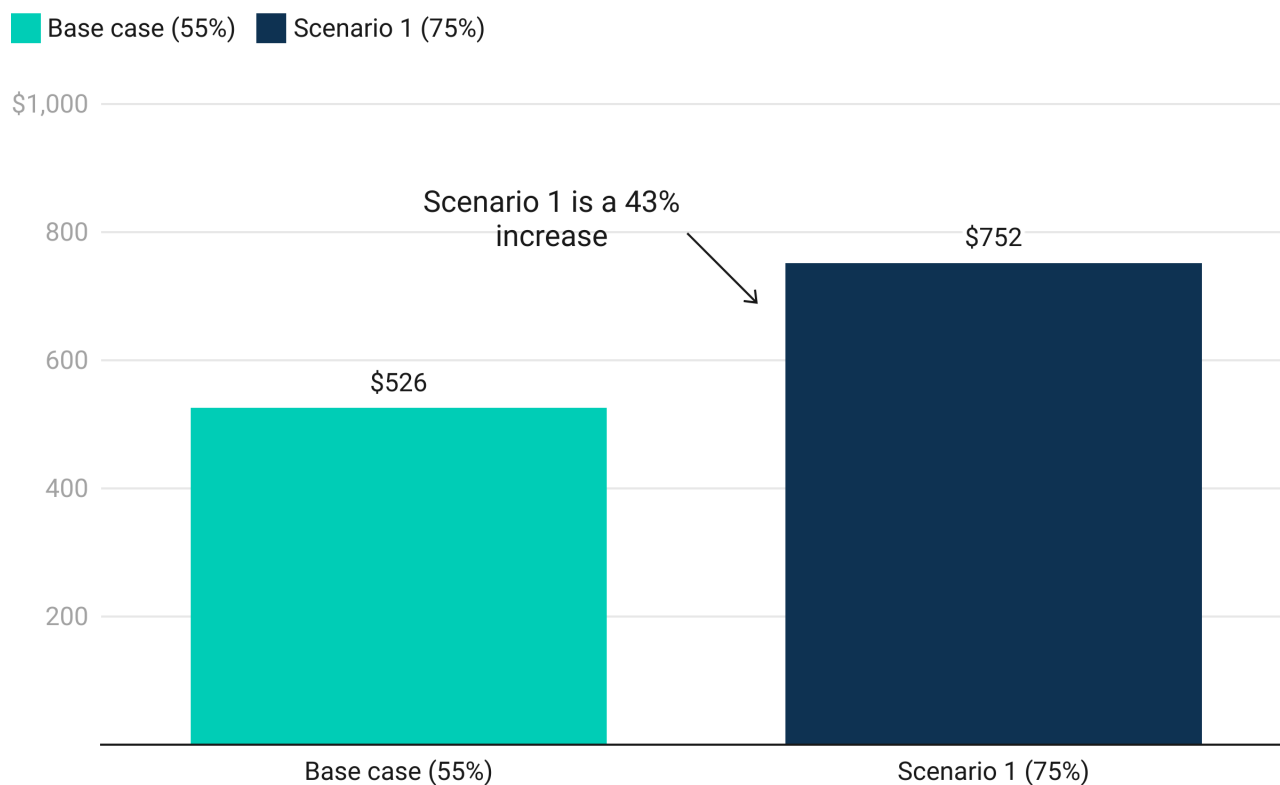
Our analysis reveals that increasing the wage replacement rate to 75 per cent, for instance, would increase the average benefit in 2025 from \$526 (at the old rate) to \$752 per week. This represents a sizable increase of over 40 per cent or an average of \$226 per beneficiary.

Given that the value of parental benefits is capped at a Maximum Insurable Earnings threshold of \$64,700 in 2025, the benefit of raising the wage replacement rate is fairly evenly distributed across the family income spectrum. Parents in the lowest family income decile, with earnings below \$45,319 per year, would receive a lower average benefit (at \$432 per week). The average benefit jumps sharply thereafter, by about \$300 a week for parents in higher-income deciles.

A higher wage replacement rate would immediately boost the economic security of families with new children. At the same time, it would also encourage higher take up of parental benefits. We estimate that raising the wage replacement rate to 75 per cent would encourage 59,000 more parents currently eligible for the program to take up benefits, increasing the number of beneficiaries from 302,000 to 360,000 (rounded figures). The largest increases would be among parents with young children in the third family income decile (with total earnings of between \$64,000 to \$85,000 per year) (See Figure 10). The higher wage replacement rate serves as a strong incentive to take leave, especially among those who can't afford to live on 55 per cent of a modest family income.

Figure 9 / Impact on parental benefits of higher wage replacement rate compared with current rules

Average weekly parental leave benefit, 2025



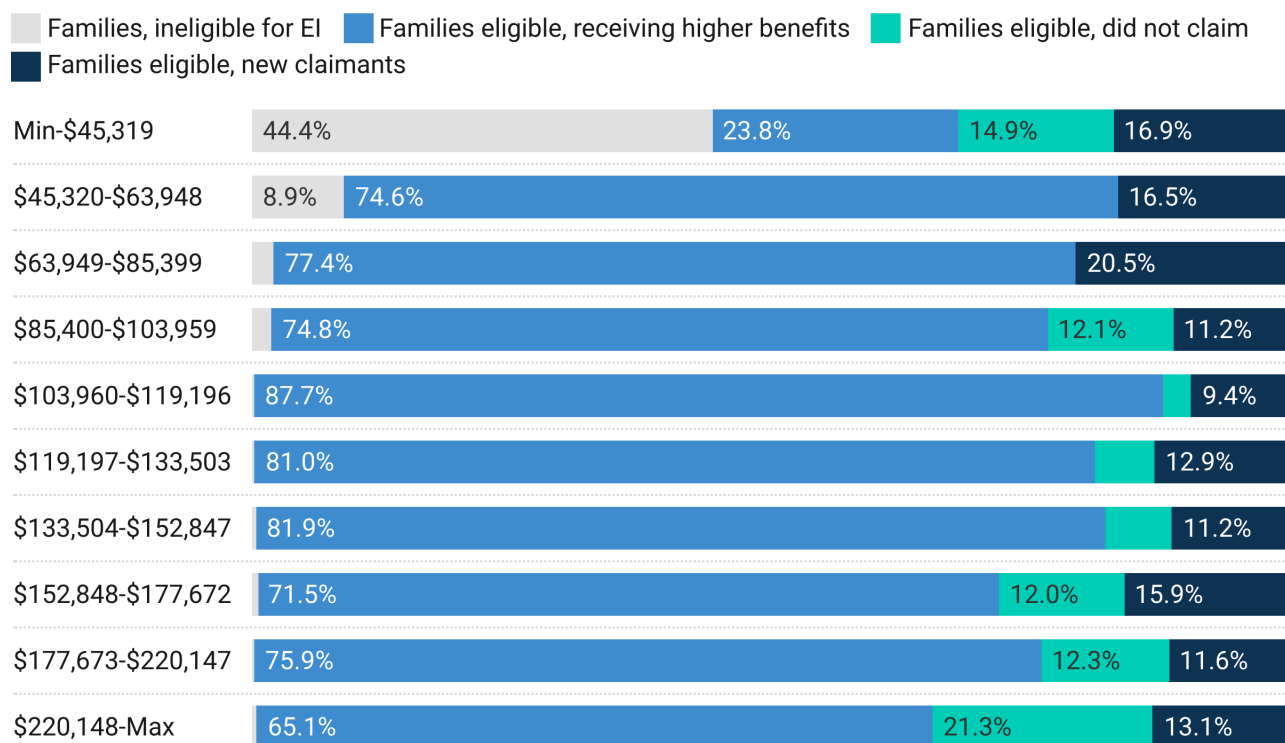
Source: SPSPD/M and author's calculations, see the methodology

Higher wage replacement rates would also encourage parents to use more of the weeks available to them, particularly among parents in the bottom third of the family income distribution, where workers typically take fewer weeks than those in the middle- and upper-income families. At a wage replacement rate of 75 per cent, we can expect the average parent to take 41.7 weeks of leave, an increase of 2.8 weeks over our base case scenario for 2025. We estimate that parents in the tenth (bottom), ninth and eighth deciles will increase their duration of leave by eight, 14 and six weeks, respectively.

Higher benefits and longer leaves would substantially improve the financial position of families with new children. Total benefits would rise significantly, by 53.2 per cent—roughly \$11,000—from an average of \$20,461 per beneficiary to \$31,357. The biggest increases in dollar value would accrue to parents in the bottom three deciles. Parents in the ninth

Figure 10 / Estimated impact of higher wage replacement rates on benefit take-up by family earnings decile

Percentage distribution of parents of children 18 months or younger by parental leave status



Source: SPSPD/M and author's calculations, see the methodology

decile would see their benefits almost double to \$37,700 because of increased take up, longer leaves and higher benefit levels.

The estimated cost of raising the wage replacement rate, factoring in the expected increase in take-up, would be a total \$3.9 billion in 2025.

Recommendation

Bring the Maximum Insurable Earnings (MIE) threshold into line with the Quebec Parental Insurance Plan, set at \$98,000 in 2025, and indexed to the annual change in average weekly earnings.

A higher MIE threshold would automatically result in a higher maximum benefit rate of \$1,037 per week at the standard plan wage replacement rate of 55 per cent, an increase of \$342 over the current maximum benefit of \$695. Parents on the 33 per cent extended plan would receive \$622 per week, up from the current \$417 per week.

If the standard replacement rate was raised to 75 per cent, the maximum benefit would be \$1,413 per week, more than double the current maximum. And parents on the extended plan would receive a maximum of \$1,037 per week, almost triple the current value.

We were not able to model the impact of higher MIE thresholds on program coverage and cost because of constraints in the SPSPD/M, which only contains information about the ensured earnings up to the existing MIE. We can definitively say, however, that these higher rates would provide much greater financial security for families extending up the income ladder. Comparative research also suggests that higher benefits will work to spur greater participation in parental leave programs, especially among fathers and second parents.

We would also like to note that higher replacement rates paid out of EI systems will likely result in savings to employers that offer parental benefit top-ups—potentially offsetting a good portion or potentially all of these costs, depending on the size and duration of top-up provisions.

2. Expand access to the parental leave system

Other reforms would also greatly improve the reach and impact of Canada's parental leave system by expanding access to the Employment Insurance system. The current threshold to access EI parental leave benefits is 600 hours. Many groups of workers are systematically excluded from accessing the program as a result of restrictive eligibility criteria—as illustrated in this report. Short of creating a standalone system, it is imperative to expand eligibility to the current EI system.

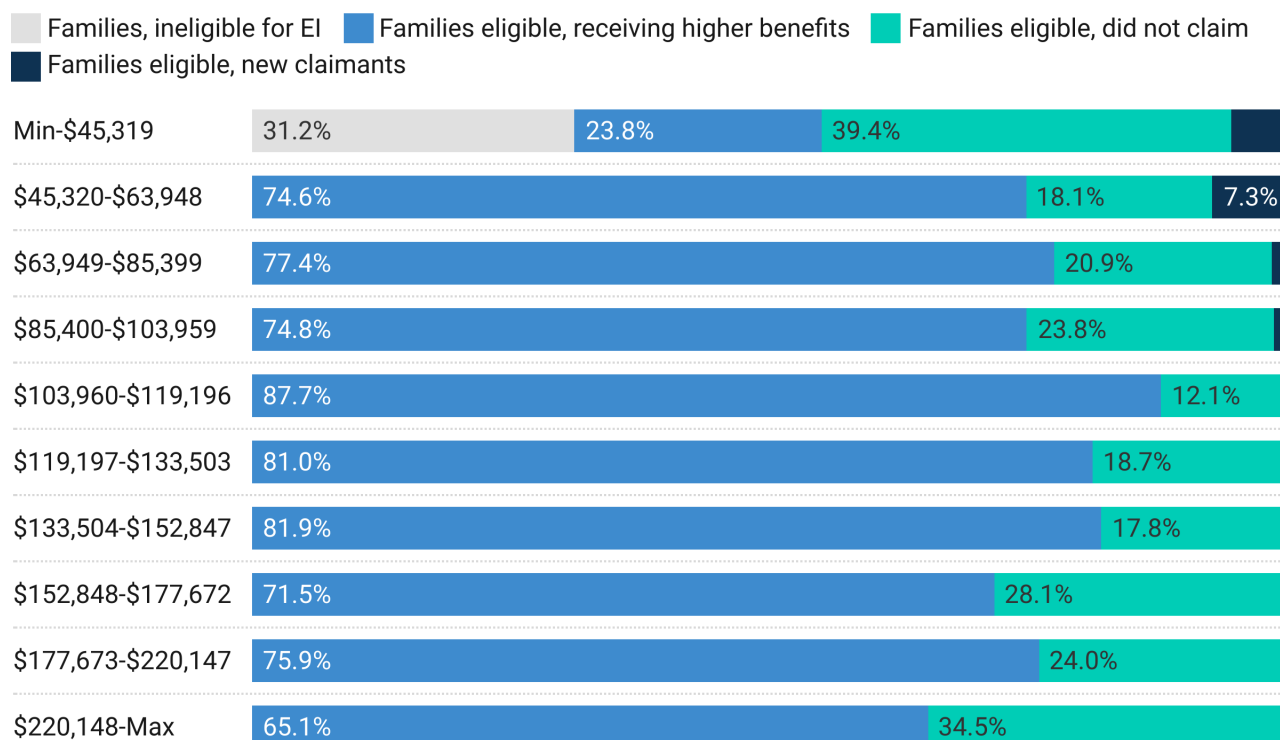
Recommendation

Establish a lower pan-Canadian qualifying rule for EI's parental leave system for both salaried and self-employed workers, modelled on the Quebec Parental Insurance Plan. Such an approach would eliminate barriers to low-paid, part-time and on-demand workers who pay premiums but are often screened out of the system—especially those living in large cities where unemployment rates are relatively low. Taking this step would also require instituting an automatic enrolment system for self-employed workers, as exists in Quebec.

Historically, the CCPA's Alternative Federal Budget¹³⁸ has recommended an eligibility threshold of 360 hours per week for regular and special benefits—the equivalent of 12 x 30-hour weeks as is

Figure 11 / Estimated impact of new \$2,000 earnings threshold on benefit take-up by family earnings decile

Percentage distribution of parents of children 18 months or younger by parental leave status



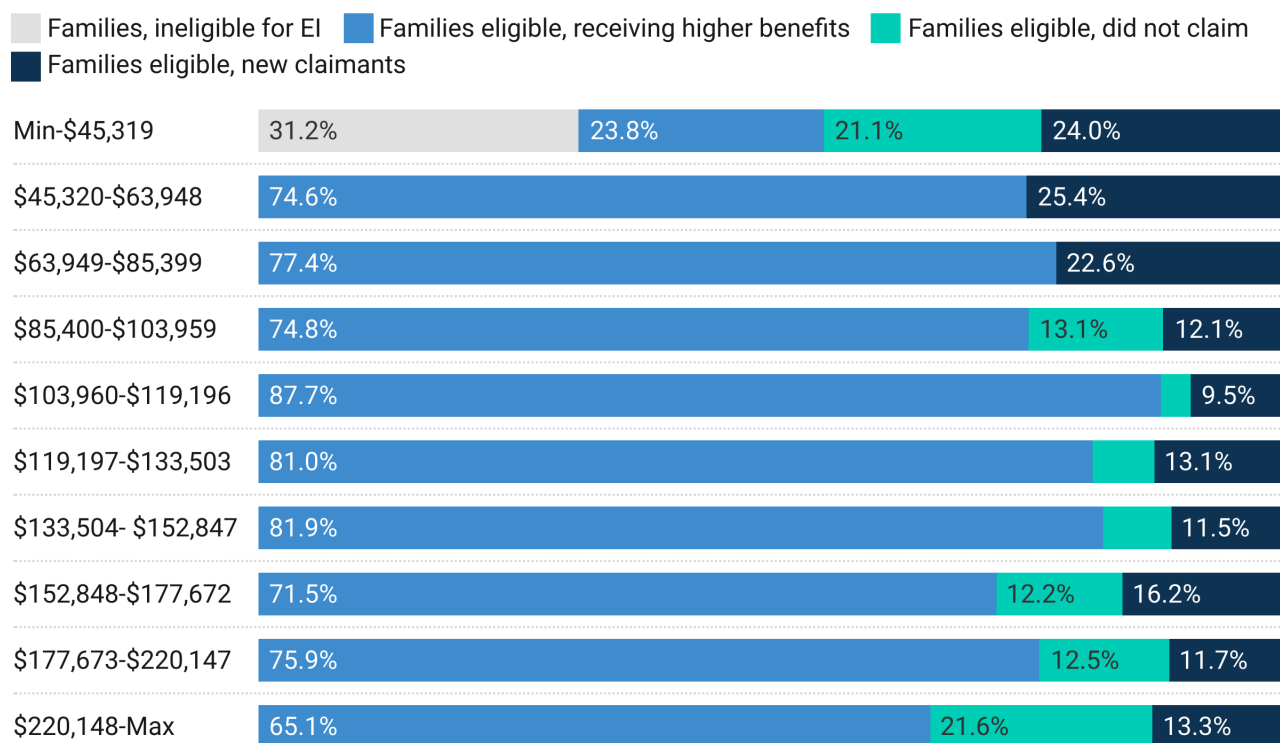
Source: SPSPD/M and author's calculations, see the methodology

common in many service industries. For the purposes of this report, we recommend adopting Quebec's minimum insurable earnings threshold of \$2,000 of combined wages and self-employed earnings in the previous year, regardless of the number of hours worked. We estimate that such a move would increase the number of parents claiming EI parental benefits by 6,770, at a cost of \$112 million. Low- and modest-income parents would be better served and self-employed workers would enjoy access to vital income support during their child's critical first 18 months, going most of the way towards creating a universal system.

Combining these two strategies would be even more effective at creating an economically secure environment for the large majority of new parents. Figure 12 illustrates the impact of these two measures on the take up of benefits. We estimate that the number of beneficiaries would increase by almost 67,000 in 2025, with the largest increases in the

Figure 12 / Estimated impact of new \$2,000 earnings threshold and higher wage replacement rates on benefit take-up by family earnings decile

Percentage distribution of parents of children 18 months or younger by parental leave status



Source: SPSPD/M and author's calculations, see the methodology

bottom two deciles. This includes a reduction in the number of “excluded” parents as well as a boost in benefit uptake with the increase in wage replacement rates. These families would receive an average of \$745 per week, or \$31,000 over the entire period of leave, at a total cost of \$4.1 billion.

Please note, these calculations are focused solely on parental leave and the situation of new parents with children aged from birth to 18 months. Adopting more inclusive eligibility criteria for parental benefits and higher replacement rates would have large ramifications for regular benefits under the Employment Insurance system as well as other special benefit programs. We believe piloting a new approach to parental leave could—and should—help to advance efforts to reform the entire EI system.

3. Enhance support for low-income families

During the pandemic, a benefit floor of \$500 per week was established for regular and special benefit EI programs which was very successful in stabilizing purchasing power and the economy. As noted above, the introduction of the benefit floor resulted in a higher weekly benefit for over half of all EI beneficiaries than they would have received under the “old” (and now current) system.¹³⁹ The “temporary” \$500 EI benefit floor was abandoned at the end of 2021. Reintroducing an income floor for the parental leave system now would ensure adequate income for all parents providing care for their young children in a climate of heightened economic uncertainty, especially those from marginalized communities.

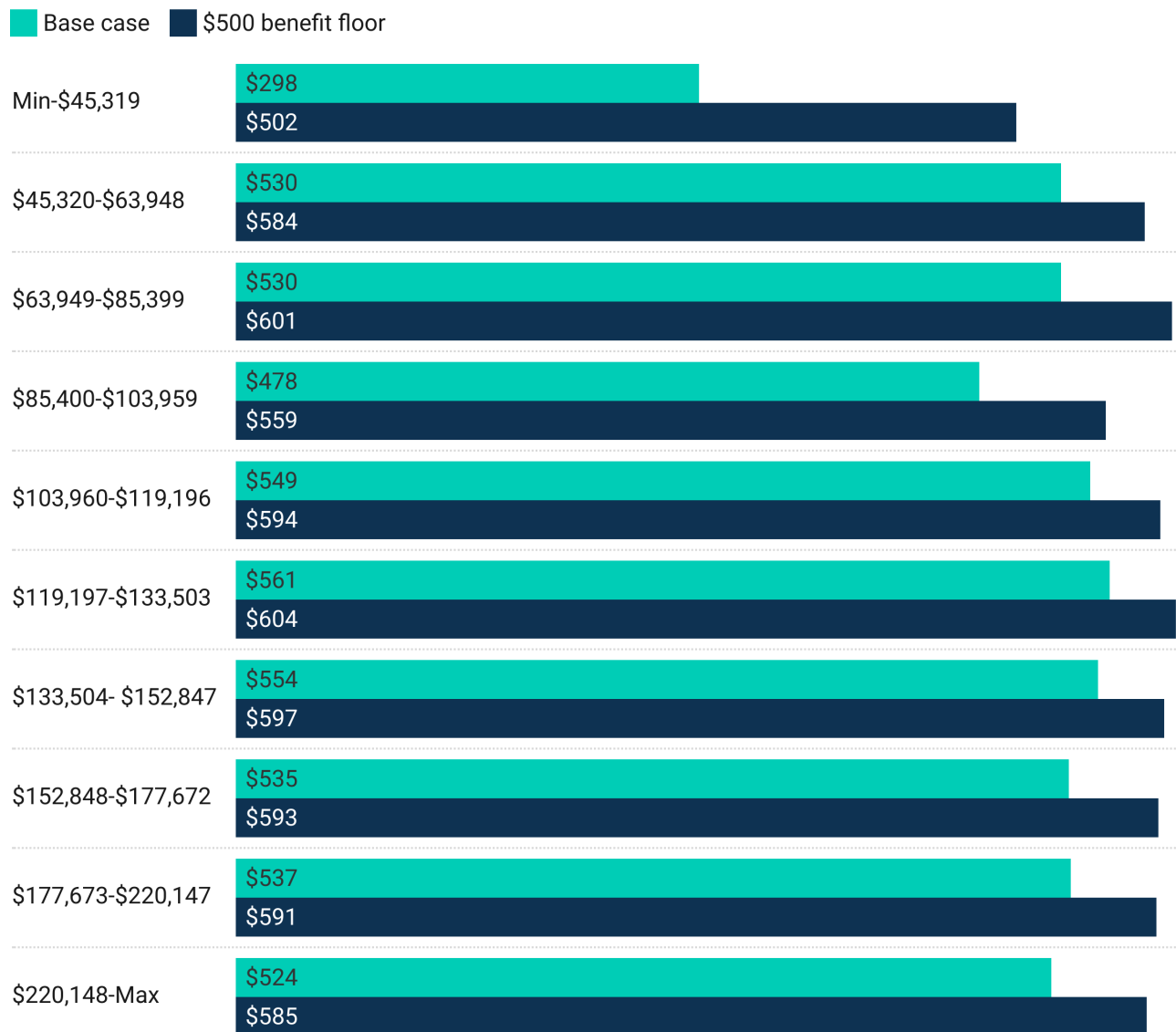
Recommendation

Institute a minimum benefit of \$500 per week to boost the benefits of low-income families.

The introduction of a minimum benefit floor of \$500 per week would have a sizable impact on the value of parental leave benefits, pushing up the average benefit by 11.8 per cent to \$588 per week. The greatest impact would be among lower-income parents. Those in the bottom family earnings decile would see an increase of \$204 (or 68.5 per cent) to \$502 per week. An income floor would also encourage much higher take-up. In the lowest decile, there would be an additional 10,562 receiving benefit—and a total of 25,157 new parental leave recipients across all income groups, an increase of 8.3 per cent.

A minimum benefit of \$500 would go a long way to reducing financial precarity among low-income parents. Indeed, for those in the bottom decile, it would pay more to take leave to care for a new child than to continue working. We estimate that this group of new parents would increase their parental leave by 12.1 weeks, surpassing the average weeks taken by other parents (at around 40 weeks). Their total benefit income would more than double reaching \$23,666—on par with parents in higher-income groups. In total, this reform would cost about \$1.2 billion.

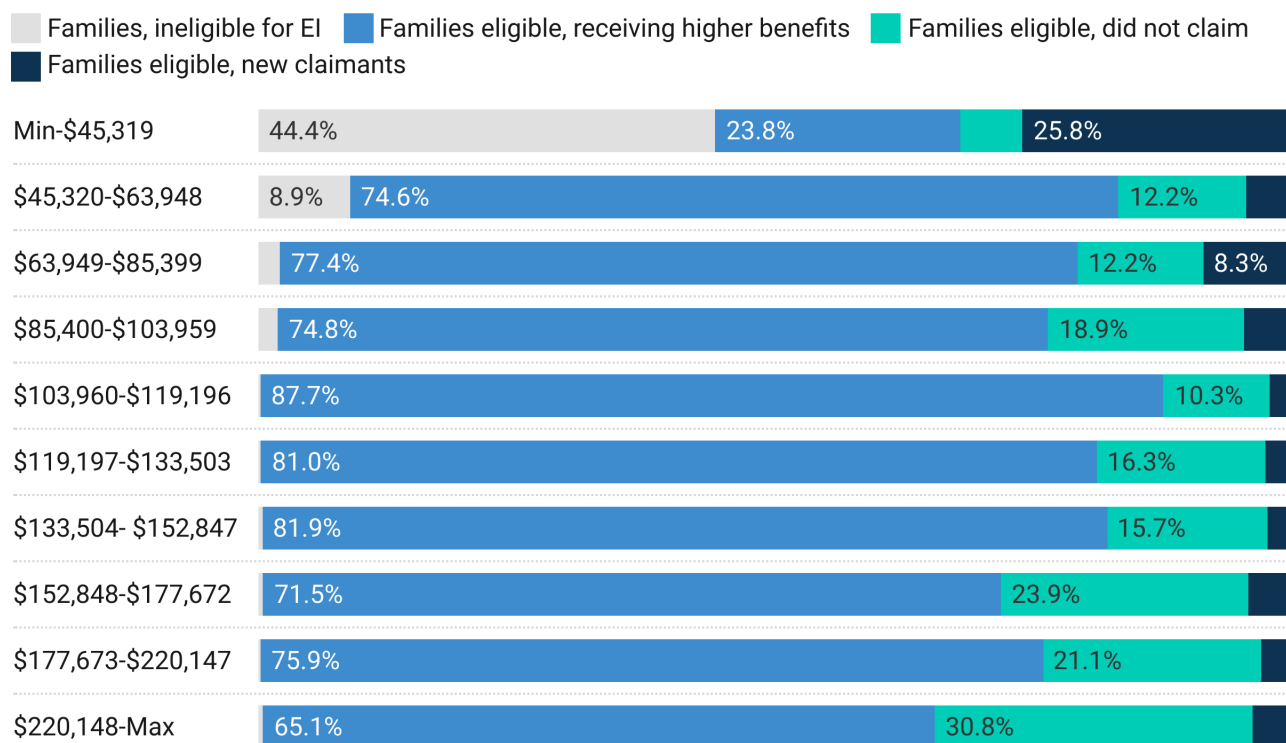
Figure 13 / Comparison of average weekly benefit between the base case and with a \$500 income floor by family earnings decile



Source SPSPD/M and author's calculations, see the methodology

Figure 14 / Estimated impact of new \$500 benefit floor on benefit take-up by family earnings decile

Percentage distribution of parents of children 18 months or younger by parental leave status



Source: SPSPD/M and author's calculations, see the methodology

4. Increase the flexibility of the parental leave system

One of the most appealing characteristics of Nordic parental leave systems is the degree of flexibility afforded to parents. "In Sweden, for example, parenting leaves are taken in days rather than weeks and leave time can be used in many different ways in one or several blocks of time, with full-time and part-time options, at any time until a child turns 12 (with the provision that only 96 days can be used after a child turns four)."¹⁴⁰ These programs recognize that "the need for parenting leaves extend well beyond the first year of a child's life."

Recommendation

Increase the flexibility regarding the take up of leave, building on European models where parents or caregivers can take leave either in

one or several blocks of time, on a full-time or part-time basis, and/or spanning several years. And to facilitate the take up of parental leave among fathers and second parents, make the current Parental Sharing Benefit into a non-transferable individual entitlement disconnected from a co-parent's eligibility, with a longer leave option for single parents.

Similarly, the Quebec government should introduce an extended leave option for new parents there.¹⁴¹

5. Resolve conflicts between regular and special benefits that deny parents access to leave

Prospective parents regularly run into problems accessing their entitlement to paid parental leave as a consequence of wedging a parental leave program into an unemployment insurance system. The current 50-week limit means workers facing a layoff before or after a parental leave, women in particular, may be denied either regular or special EI benefits. The Social Security Tribunal found this limitation to be in breach of the equality provisions of the Charter of Rights and Freedoms in 2022.

Recommendation

Eliminate the 50-week limit on combined parental special benefits and regular benefits, extending the reference and benefit period to 104 weeks. This modest measure would cost an estimated \$15 million per year.¹⁴²

Appendix 1:

Program summary

Table 3 / Summary of parental leave benefits available in Quebec and Canada outside of Quebec

Type, duration and amount of parental leave benefits available in Canada outside of Quebec (Employment Insurance) and in Quebec (Quebec Parental Insurance Plan)

Canada outside of Quebec (EI)			Quebec (QPIP)	
	Standard plan	Extended plan	Basic plan	Special plan
Eligibility	600 hours in qualifying period		\$2,000 in earnings in qualifying period	
Waiting period	1 week per couple		None	
Self-employed workers (2025)	Optional. If opted in 12 months prior to claiming, with minimum net income of \$8,826 in earnings in 2025 and demonstrated reduction in working hours / earnings		Automatically covered	
Maximum weekly benefit (2025)	\$695/week	\$417/week	\$1,319/week	\$1,413/week
Maximum insurable earnings (2025)	\$65,700/year		\$98,000/year	
Low-income supplement (2024)	Up to 80% (net family income up to a maximum of \$25,921 per year)		Up to 100% (net individual income of up to \$32,760). Next increase May 2025.	
Weeks by wage-replacement rate (% of gross earnings up to the Maximum Insurable Earnings level)				
Maternity	15 at 55%		18 at 70%	15 at 75%
Paternity	-	-	5 at 70%	3 at 75%
Parental (may be shared)	35 at 55%	61 at 33%	32 (7 at 70% + 25 at 55%)	25 at 75%
Parental sharing benefit	5 at 55%	8 at 33%	-	
Parental sharing benefit notes	Fathers or other parents are eligible only if the mother or other parent also takes parental benefits.		For each plan, Quebec encourages sharing parental benefits by offering additional weeks of paid leave if both parents each take a minimum number of weeks off	
Parental for multiple births	-		5 for each parent at 70%	3 for each parent at 75%
Parental for single parents	-		5 at 70%	3 at 75%
Adoption (shared)	35 at 55%	61 at 33%	32 (7 at 70% + 25 at 55%)	25 at 75%
Adoption (shared) notes	EI Parental leave benefits are the same for biological and adoptive parents.		QPIP has separate options for adoptive parents.	

Source Doucet, A., et al., (2023) 'Canada country note', in Blum, S., et al. (eds.) International review of leave policies and research 2023. Available at: <https://www.leavenetwork.org/annualreview-reports/>

Appendix 2: Evolution of Canadian parental leave program

Timeline

1971: Introduction of 15 weeks of maternity benefits for birth mothers, available through the Unemployment Insurance system, contingent on having a minimum of 300 hours of insurable employment.

1984: Introduction of 15 weeks of adoption benefits.

1990: Introduction of 10 weeks of shareable parental benefits (folding in adoption benefits and the short-lived paternity benefit program introduced in 1988).

1996: Introduction of new Employment Insurance (EI) program, including more restrictive eligibility criteria. All new claimants now needed at least 700 hours of insurable employment to qualify.

1996: Introduction of Family Supplement in place of the Dependency Benefit Rate (60 per cent), previously available to individuals with low earnings and dependants. Claimants with children with net family

incomes of less than \$25,921 are eligible for a higher benefit rate, up to 80 per cent.

2001: Duration of parental leave benefits increased from 10 weeks to 35 weeks and the threshold for eligibility for benefits was lowered from 700 to 600 hours. Parental benefits were also extended to same-sex couples.

2006: Quebec introduces Quebec Parental Insurance Plan. Parental benefits are available to any parent earning at least \$2,000 during the previous tax year. A basic and a special plan each offers flexible options in terms of duration and income replacement rate. Participation in the plan is mandatory for all workers, including the self-employed.

2011: Introduction of voluntary opt-in EI special benefit package for the self-employed (maternity, parental, sickness, compassionate care and family caregiver for children or adults).

2017: Reduction of EI waiting period from two weeks to one week. Introduction of an 18-month extended parental benefit option.

2019: Introduction of an EI Parental Sharing Benefit, an additional five or eight weeks of benefits to encourage more fathers to take a portion of Parental leave. Families are only eligible for this new option if both parents qualify for and receive benefits.

2020: Hours required to qualify for EI maternity and parental leave benefits is temporarily reduced to 120 hours, minimum benefit set at \$500/week.

2021: Hours required to qualify increased to 420 hours and minimum benefit level reduced to \$300/week. Package of improvements to QPIP introduced, including increases in the income threshold for low-income family supplement and wage replacement rates.¹⁴³

2022: Pre-pandemic eligibility threshold re-established, hours required increased to 600 again, as it was in 2000. Minimum income threshold eliminated.

2023: Announcement of new federal 15-week parental benefit for adoptive parents (which will include parents whose child is born via surrogacy), still pending.

Appendix 3:

Maternity and parental leave coverage rates

Table 4 / Maternity and parental leave coverage rates by selected demographic and economic characteristics

Employment Insurance Coverage Survey, % of total population, 2021

	Canada outside of Quebec	Quebec
Total	74.0%	87.7%
Sex		
Women (primary respondents)	75.5%	87.6%
Men (primary respondents)	-	-
Region		
Canada outside of Quebec		74.0%
Quebec	87.7%	
Atlantic region	77.7%	
Ontario	75.6%	
Manitoba & Saskatchewan	72.5%	
Alberta	64.0%	
British Columbia	78.8%	
Education		
Grade 9-13, non graduate	45.1%	69.7%
Grade 11-13, graduate	48.3%	41.3%
Trades, college, CEGEP	77.6%	68.3%
University graduate	78.6%	43.4%
Immigrant status		
Immigrant	67.9%	69.2%
Canadian-born	76.9%	94.0%

	Canada outside of Quebec	Quebec
Family type		
Dual-earner couple	85.4%	99%
Single-earner couple	52.0%	63%
Non-earner couple	48.1%	-
Lone parent family	51.8%	87%
Union status		
Union member	82.5%	94.8%
Non union member	79.8%	91.5%
Earnings quartile		
Earnings quartile 1 (bottom)	65.9%	79.5%
Earnings quartile 2	81.0%	94.6%
Earnings quartile 3	86.4%	100.0%
Earnings quartile 4 (top)	94.4%	96.8%
Work arrangement		
Permanent full-time worker	20.9%	93.2%
Permanent part-time worker	23.5%	100.0%
Not permanent — temporary, term, contract or casual job	60.3%	83.1%
Self-employed	12.8%	86.8%
Industry		
Natural resources, Mining, oil & gas, Utilities	63.7%	100.0%
Construction	48.1%	100.0%
Manufacturing	78.4%	86.6%
Retail trade, Accommodation & food services	67.9%	84.7%
Education, Health care & social assistance, Public admin	82.1%	94.6%
All others	79.2%	93.4%
Occupation		
Management occupations	87.4%	100.0%
Business, finance & admin occupations	77.5%	90.7%
Natural & applied sciences, Health occupations	87.2%	85.2%
Education, law, govt and community services, Art/culture/sport	77.0%	98.0%
Trades & transport, Natural resources, Manufacturing & utilities	65.4%	79.9%
Sales and service	66.7%	92.1%

Source Employment Insurance Coverage Survey, 2021. Custom tabulations

Appendix 4:

Methodology

Methodology for estimating impact of proposed recommendations

This analysis uses Statistics Canada's Social Policy Simulation Database and Model (SPSD/M) that can simulate changes in the federal tax/transfer system. In this case, we have used the program to simulate changes to the Employment Insurance system. SPSPD/M was altered in glassbox to add new functionality and new reporting on parental leave details. The EI functionality within SPSPD/M is informed by EI administrative data, in this case from 2019 but inflated forward to 2025.

While SPSPD/M can change existing parameters, like replacement rates, it does not estimate behavioural changes. In this study, for example, we needed to consider how parents might respond if EI parental benefits were enhanced. Luckily, with Quebec's QPIP system, we already have an in-country example of the impacts of a more generous parental benefits system. The QPIP values are also contained in SPSPD/M.

To estimate the behavioural reactions of higher benefits, we examine the average benefits of parents receiving QPIP by "nuclear family" pre-child employment income deciles.¹⁴⁴ Take up rates of QPIP for parents with young children is basically universal, irrespective of income decile.¹⁴⁵ As the average weekly EI benefit in a particular decile increases, due to the various changes proposed, the parental leave participation rate, for those who are eligible but not taking benefits, increases in proportion to the distance between the original average EI benefit and the QPIP

average benefit. Once the QPIP average weekly benefit is reached in any decile, it is assumed that all EI eligible parents will then take parental leave, as they do in Quebec under QPIP.

A similar behavioural approach is used for the weeks taken. In the bottom three income deciles, there is a clear difference between the weeks taken and the general average. In the rest of Canada, the lowest income deciles take markedly fewer weeks than the average of 40 weeks for the other deciles. By contrast, in Quebec, the lowest-income deciles take markedly more weeks than the 40 weeks of the other Quebec deciles. As with the participation behavioural reaction, we assume that weeks taken on EI parental leave will close in on weeks taken under QPIP, as the value of EI parental benefit are increased, closing the gap with QPIP benefit levels in each decile.

Both the behavioural impacts of higher participation rates and increased weeks taken are added to the base impact for those who were already taking EI parental leave to arrive at aggregate costs.

Income deciles were constructed using pre-child nuclear family employment income. There are two possible sources for pre-child income in SPSPD/M: the previous calendar year's income and the insured earnings on the EI claim. The challenge using the previous calendar year's income is that the child may have been born in the previous calendar year, thus not resulting in true pre-child income. However, the insured earnings, while definitely pre-child, max out at the maximum insurable earnings cut-off, thus creating an artificial income cap. To somewhat mitigate these issues, whichever value was higher is taken as the pre-child income for each parent. Unfortunately, this approach likely underestimates pre-child income, particularly for women, whose income is most likely to be affected by the birth of a child.

Notes

- 1 The term parental leave is commonly used to refer all paid leave and protected time available to parents around the birth, adoption or caregiving placement of a child. In this report, we distinguish between different types of leave, including maternity leave, paternity leave, adoption leave and parental leave in this report.
- 2 UNICEF, 2019, [Paid parental leave and family-friendly policies: An evidence brief](#).
- 3 Jennifer Robson, March 2017, [Parental benefits in Canada: Which way forward?](#) IRPP Study, No. 63, p. 13-14.
- 4 Katherine Scott, 2021, [Women, Work and COVID-19: Priorities for supporting women and the economy](#), Canadian Centre for Policy Alternatives.
- 5 Statistics Canada, Table 14-10-0017-01—[Labour force characteristics by sex and detailed age group, monthly, unadjusted for seasonality](#).
- 6 Higher rates of immigration are an important factor in shaping today's economy, partially offsetting the exit of the baby boom generation from the labour market. While the borders were closed for several months in 2020, immigration levels—including temporary foreign workers and international students—increased significantly in 2021 and 2022. See: Statistics Canada, March 22, 2023, "[Canada's population estimates: Record-high population growth in 2022](#)," *The Daily*.
- 7 Statistics Canada, November 8, 2024, [Labour Force Survey, October 2024](#), *The Daily*.
- 8 This study is based on pooled data from the Survey of Household Finances from 2014 to 2017. The costs of raising a child were calculated for families in three before-tax income groups: lower-income (less than \$83,013 in 2026); middle-income (from \$83,013 to \$135,790 in 2016), and higher-income (above \$135,790 in 2016). These figures are available by region and family type. Karen A. Duncan, Kristyn Frank and Anne Guèvremont, 2023, [Estimating Expenditures on Children by Families in Canada, 2014 to 2017](#), Analytical Studies Branch Research Paper Series, Statistics Canada, Catalogue no. 11F0019M, No. 473.
- 9 OECD, [OECD Affordable Housing Database](#).
- 10 Statistics Canada, [Table 14-10-0220-01—Employment and average weekly earnings \(including overtime\) for all employees by industry, monthly, seasonally adjusted, Canada](#).
- 11 The average weekly wage gain between 2019 and 2023 among Indigenous workers, for instance, was less than half the rate of non-Indigenous workers over this same period (1.2 per cent vs 2.5 per cent). Indigenous families are barely keeping their heads above water.
- 12 Katherine Scott, 2023, [Canada's Gender Pandemic Response: Did it Measure Up?](#) Canadian Centre for Policy Alternatives.

- 13** These figures are based on the Taxfiler data, using the after-tax Census Family Low-income Measure (CFLIM-AT) to measure poverty. Statistics Canada, [Table 11-10-0018-01—After-tax low-income status of tax filers and dependants based on Census Family Low-income Measure \(CFLIM-AT\), by family type and family type composition](#). For a discussion of the rebound in poverty rates, see: Alexi White, Sam DiBellonia, Mohy-Dean Tabbara, 2024, [Warning signs: Poverty in Canada](#), Maytree Foundation.
- 14** Statistics Canada, [Table 11-10-0020-01—After-tax low-income status of census families based on Census Family Low-income Measure \(CFLIM-AT\), by family type and family composition](#).
- 15** Food Banks Canada, 2024, [Hunger Count 2024](#).
- 16** In 2022, approximately 8.7 million people, or 22.9 per cent of the population, reported some form of food insecurity. Rates were particularly high among female-led one-parent families (46 per cent), Indigenous Peoples (36.8 per cent) and Black people (40.4 per cent). Statistics Canada, [Table 13-10-0835-01—Food insecurity by selected demographic characteristics and Table 13-10-0834-01—Food insecurity by economic family type](#).
- 17** Food Banks Canada, 2024, p. 13.
- 18** Statistics Canada, September 20, 2023, [“Navigating Socioeconomic Obstacles: Impact on the Well-being of Canadian Youth,” The Daily](#).
- 19** Angus Reid Institute, 2024, [“Birth rate crisis? Half of those who want children have waited longer than they’d like, due largely to cost”](#).
- 20** Statistics Canada, September 25, 2024, [“Births and stillbirths, 2023,” The Daily](#).
- 21** In 2016, for example, nearly eight in 10 younger adults were always or often hopeful about the future. By 2021-22, this figure had dropped by 15 percentage points. Statistics Canada, May 17, 2022, [“Hopefulness is declining across Canada: having children or strong ties to a local community associated with a more hopeful outlook,” The Daily](#).
- 22** Statistics Canada, [Table 13-10-0848-01—Future outlook by gender and other selected sociodemographic characteristics](#).
- 23** Chantal Braganza, January/February 2025, [“Want to Raise a Kid in Canada? That’ll Be \\$293,000...and climbing,” The Walrus](#).
- 24** Daniel Engster and Helena Olofsdottir Stensöta, 2011, “Do family policies matter for children well-being?” *Social Politics*, 18(1), pp. 82-124.
- 25** UNICEF Canada, 2024, [Parental leave: For every child](#), policy brief, p. 6.
- 26** OECD, [Public expenditure on family by type of expenditure in % GDP](#).
- 27** OECD (2024), [PF2.1. Parental leave systems](#), OECD Family Database (updated as of February 2024). The OECD figures reflect entitlements at the national or federal level only, and do not reflect regional variations or additional/alternative entitlements provided by states/provinces or local governments including Québec in Canada. The rankings include only those countries that have paid maternity and parental leave programs.
- 28** Spending is generally highest in Nordic countries, reflecting the generosity of payment rates and high take up among both mothers and fathers. Central and Eastern European countries also spend considerably more per child than Canada does, offering more months of paid leave to parents.
- 29** Statistics Canada, [Table 13-10-0415-01—Live births, by month](#).
- 30** Statistics Canada, [Table 39-10-0041-01—Census families with children by age of children and children by age groups](#).
- 31** Statistics Canada, October 22, 2024, [“Families with young children: A sociodemographic profile,” The Daily](#).
- 32** Claudine Provencher and Nora Galbraith, 2024, [Fertility in Canada, 1921 to 2022](#), Demographic documents, Statistics Canada, Catalogue no. 91F0015M.
- 33** Statistics Canada (2024b).

34 *Ibid.*

35 *Ibid.*

36 Eligibility for job-protected unpaid leave is another key dimension of Canada's parental leave system. Entitlement to job-protected leave from employment is granted under provincial and territorial employment standards legislation and the Canada Labour Code for employees in federally regulated industries.

37 Maternity benefits are not available to adoptive parents. A new benefit for adoptive parents is now in the process of being established. All gestational carriers are now eligible for maternity benefits.

38 It is important to note that there are differences in parental leave regimes—and family policy more broadly—between all of the Canadian provinces. Because this paper is focused on questions on financial security and income inequality, we have confined our analysis to a comparison of the programs offered by the federal government and Quebec. See: Sophie Mathieu, Andrea Doucet and Lindsey McKay, 2020, "Parental Leave Benefits and Inter-Provincial Differences: The Case of Four Canadian Provinces," *Canadian Journal of Sociology*, 45(2).

39 The target population for the EICS is a subset of the target population for the Labour Force Survey. It excludes residents of the Yukon, Northwest Territories and Nunavut, persons living on Indian Reserves, full-time members of the Canadian Armed Forces and inmates of institutions.

40 UNICEF, 2019.

41 UNICEF Canada, 2024, [Parental leave: For every child](#), UNICEF Canada policy brief, p. 5.

42 As a point of reference, in 2022, 271,000 babies were born in Canada outside of Quebec.

43 Finance Canada, 2018, [Canada's new Parental Sharing Benefit](#), background. Budget 2018.

44 Annie Bergeron-Oliver, March 13, 2023, "[New Canada parental benefit will be arriving 'in the coming months'](#)," *CTV News*.

45 Jennifer Robson, 2017, p. 4.

46 Employment and Social Development Canada, [EI benefits for self-employed people: What this program offers](#).

47 Canada Employment Insurance Commission (CEIC), 2024, [Monitoring and Assessment Report, 2022-2023](#), p. 165. As of 2022-23, there were 52,696 self-employed people registered with the Employment Insurance program.

48 Employment and Social Development Canada, [Employment Insurance—Important notice about maximum insurable earnings for 2025](#).

49 Canada Employment Insurance Commission, 2024, p. 47-48.

50 QPIP was the result of a long struggle waged by the *Regroupement pour un régime québécois d'assurance parentale*, a coalition made up of community organizations, women's groups and unions.

51 Gordon Cleveland, Sophie Mathieu and Christa Japel, 2021, "[What is 'the Quebec model' of early learning and child care?](#)" *Policy Options*, Institute for Research on Public Policy.

52 Sophie Mathieu and Diane-Gabrielle Tremblay, 2020, "[Evolution and transformation of Quebec family policy since 1997](#)," *Enfances Familles Générations*, Issue 35; See also: Sophie Mathieu, Andrea Doucet, Lindsey McKay, 2020, "Parental leave benefits and inter-provincial differences: The case of four Canadian provinces," *Canadian Journal of Sociology* 45(2): 169-193."

53 Gouvernement du Québec (nd), [Quebec Parental Insurance Plan](#).

54 Sophie Mathieu, 2021, "[Les changements apportés au Régime québécois d'assurance parentale](#)," *Policy Options*, Institute for Research on Public Policy.

55 Sophie Mathieu and Safa Ragued, 2022, "[More money for more new parents](#)," *Policy Options*, Institute for Research on Public Policy.

56 See: Andrea Doucet, Sophie Mathieu and Lindsey McKay, 2020, "Reconceptualizing parental leave benefits in COVID-19 Canada: From employment policy to care and social protection policy," *Canadian Public Policy* 46(3), S272-S286.

57 "The period during which paternity, shareable parental or adoption benefits can be used has been extended from 52 weeks to 78 weeks (18 months), while maternity benefits can now be received within a period of 20 weeks instead of 18... These changes are intended to provide more flexibility to parents who wish to alternate between periods of paid work and periods of parental leave." Sophie Mathieu, 2021.

58 Statistics Canada, 1999, "[Employment Insurance support to families with newborns, 1976 to 1998](#)," *The Daily*, October 25, 1999.

59 The term coverage rate is used here to describe the share of parents receiving benefits. The same term is also used by Employment and Social Development Canada to talk about share of employed parents with young children with insured earnings.

60 Katherine Marshall, March 21, 2003, "[Benefiting from extended parental leave](#)," *Perspectives*, Statistics Canada, Catalogue no. 75-001-XIE.

61 Evaluation Directorate, Strategic and Service Policy Branch, Employment and Skills Development Canada, 2023, [Evaluation of the Employment Insurance Maternity and Parental Benefits](#), p. 15.

62 These figures represent the share of all new parents as reported in the Employment Insurance Coverage Survey. The figures published in the EI Monitoring and Assessment Report are based on internal administrative data and represent the percentage of mothers with insurable employment who claim parental benefits. As a result, there is a significant difference between these two figures. In 2022, for example, 77.1 per cent of new parents in Canada (with a child under 18) claimed one or more parental benefits. This group represented 94.2 per cent of all parents with insurable employment.

63 CEIC, 2020, [2018 / 2019 Employment Insurance Monitoring and Assessment Report](#), p. 134.

64 The claims initiated from April 1, 2022 to September 24, 2022 were subject to temporary eligibility criteria introduced during the pandemic which lowered the threshold for program access.

65 Spouses (the vast majority of whom are fathers) are the partners or spouses of surveyed parents (the vast majority of whom are mothers).

66 In 2021, 86.8 per cent of self-employed workers were covered by QPIP. The remainder of workers did not meet the earnings threshold (author's calculations).

67 The utilization rate of families, whose main provider is self-employed, experienced a marked growth from 2006 to 2009, and again in 2021, the year several enhancements to the QPIP came into effect.

68 See Robson, 2017, p. 6; CEIC, 2018, [2016/2017 Employment Insurance Monitoring and Assessment Report](#), p. 143.

69 See: McKay, Mathieu and Doucet, 2016.

70 Sophie Mathieu, Andrea Doucet and Lindsey McKay, 2020, p. 180.

71 Mathieu, Doucet and McKay, 2020, p. 183.

72 Sophie Mathieu and Marie Gendron, 2022, "[Paternity Benefit Use During COVID-19: Early Findings from Quebec](#)," *Families Count*, Vanier Institute of the Family.

73 Conseil de gestion de l'assurance parentale, 2023, [Profil des prestataires du Régime québécois d'assurance parentale 2021](#), p. 41.

74 Robson, 2017, p. 38-39.

75 McKay, Mathieu and Doucet, 2016, p. 11-12. Low-income families are defined as those with annual incomes of less than \$30,000. High-income families are those with incomes above \$60,000 per year.

76 In 2016, a higher proportion of mothers in lower-income households received benefits in Québec (77.5 percent) than mothers in higher-income households in Alberta (72.6 percent) or in Ontario (74.8 percent). Mathieu, Doucet and McKay, 2020, p. 182.

77 For example, in a recent study, Lindsay Larios shows how precarious immigration status constitutes a barrier to accessing protections and programs meant to support gender equity and family well-being. Lindsay Larios, 2022, "Precarious reproductive citizenship: Gaps in employment protections for pregnant precarious status migrants in Canada," *Citizenship Studies* 27(1), 19–37.

78 Revenu Québec (nd), [Maximum Insurable Earnings and the Québec Parental Insurance Plan Premium Rate](#).

79 With respect to duration, most new mothers (92.4 per cent) took the 15 weeks of maternity leave available to them (average duration 14.6 weeks), according to administrative data from Employment and Social Development Canada. Full take-up of parental leave benefits was lower. For example, among parents who opted for the "standard" leave package and did not share benefits, 71.4 per cent used the maximum 35 weeks of benefits available to them. The average number of weeks among new mothers was 32.7 weeks and 17.9 weeks among new fathers. Canada Employment Insurance Commission, 2024, p. 153.

80 Under the federal system, the vast majority (85%) of new parental benefit claimants opt for standard parental benefits. Those who opt for extended parental benefits are more likely to be high income earners, have higher family income, live in couple families, work in large organizations, and receive top up from their employers. Evaluation Directorate, Strategic and Service Policy Branch, 2024, p. 17.

81 CEIC, 2024, p. 149.

82 CEIC, 2024, p. 151-152 and Annex 2.15.5 and 2.15.9.

83 These figures are generated by multiplying the average weekly benefit by the average duration of leave. In 2022-23, the average duration of paid maternity leave outside of Quebec was 14.6 weeks. And the average duration of parental leave among new mothers was 32.7 weeks (this figure excludes those that opted for the parental sharing benefit). CEIC, 2024, p. 152.

84 The Market Basket Measure (MBM) is based on the cost of a specific basket of goods and services representing a modest, basic standard of living for a reference family of two adults and two dependent children. This estimate represents the average of the 53 regions.

85 Canada Employment Insurance Commission, 2024; Conseil de gestion de l'assurance parentale, 2022, [Statistiques officielles sur les prestataires du Régime québécois d'assurance parentale, Décembre 2022](#).

86 Peter Moss and Fred Devon, 2019, "Leave Policies in Europe: Current Policies, Future Directions," *International Journal of Sociology and Social Policy* 40 (5/6): 429-40. Cited in Doucet, Mathieu and McKay, 2020.

87 Canada Employment Insurance Commission, 2024, p. 48.

88 A study of the Family Supplement by Employment and Social Development estimated that the share of EI claims eligible for the family supplement would have been 2.9 percentage points higher for claims registered in 2022 if the annual family net income thresholds had been adjusted annually for inflation. In particular, the share of low-income claimants with children would have been twice as high in 2021 (at 61.8 per cent). Employment and Social Development, 2024, Employment Insurance Family Supplement. Cited in CEIC, 2024, p. 48.

89 Conseil de gestion de l'assurance parentale, 2023, [Statistiques officielles sur les prestataires du Régime québécois d'assurance parentale, Décembre 2023](#); Conseil de gestion de l'assurance parentale, 2020, [Statistiques officielles sur les prestataires du Régime québécois d'assurance parentale, Décembre 2020](#).

90 The "average payment rate" refers the proportion of previous earnings replaced by the benefit over the length of the paid leave entitlement for a person earning 100 per cent of average national full-time earnings.

- 91** OECD, 2024, [PF2.1. Parental leave systems](#), OECD Family Database (updated as of February 2024). The OECD figures reflect entitlements at the federal level only, and do not include benefits provided under QPIP.
- 92** Of those countries that offer at least one month, some of the highest payment rates are in Norway—where payments almost fully replace gross earnings for an average earner during parental leave—and in Spain where fathers are entitled to full pay across their 16 weeks of paid paternity leave.
- 93** UNICEF, 2024, p. 6.
- 94** Generation Squeeze has also recommended removing parental leave from the EI system, raising the current wage replacement rate to 80 per cent and boosting the maximum insurable earnings to \$68,000, and reserving leave time for both parents while providing equal duration for single parents. See: [New policy solutions for families](#).
- 95** Flavie Sauvageau, June 17, 2024, [“Que fera Québec avec les centaines de millions de surplus du RQAP?”](#) Radio Canada.
- 96** For some ideas, see: Sophie Mathieu, 2024, [“What should Quebec do with \\$900 million in parental leave surpluses?”](#) *Policy Options*, Institute for Research on Public Policy.
- 97** A 2021 survey of employers found similar results. More than half (58 per cent) of employers provided top-up pay for maternity leave benefits, but just 33 per cent offer top-ups for parental leave benefits. See: Staff, October 7, 2021, [“More Canadian employers topping up maternity leave benefits than parental leave benefits: survey,”](#) *Benefits Canada*.
- 98** Statistics Canada, June 13, 2023, [“Parental leave, 1997 to 2022,”](#) Quality of Employment in Canada.
- 99** Statistics Canada, March 22, 2021, [“Aspects of quality of employment in Canada, February and March 2020,”](#) *The Daily*.
- 100** Youjin Choi, 2023a, [“The likelihood and timing of mothers returning to work after parental leave,”](#) *Economic and Social Reports*, Statistics Canada, Catalogue no. 36-28-0001, p. 10.
- 101** According to the 2022 EICS data, 43.9 per cent of parents with a child aged 18 months or younger living outside Quebec received top-ups to their EI benefits from their employer. CEIC, 2024, p. 148.
- 102** David Macdonald, 2020, [Canada’s job losses reach Great Depression levels](#), Canadian Centre for Policy Alternatives.
- 103** Katherine Scott, 2021, [Women, work and COVID-19: Priorities for supporting women and the economy](#), Canadian Centre for Policy Alternatives.
- 104** Dawn Desjardins and Carrie Freestone, November 19, 2020, [“Canadian women continue to exit the labour force,”](#) *RBC Economics*; Sylvia Fuller and Yue Qian, 2021, “Covid-19 and The Gender Gap in Employment Among Parents of Young Children in Canada,” *Gender & Society* 35(2), 206-217.
- 105** Before the pandemic, the EI system already excluded many unemployed Canadians: only 33 percent of unemployed women and 38 percent of unemployed men received EI benefits in 2018. See: David MacDonald, 2020), [COVID-19 and the Canadian Workforce Reforming EI to Protect More Workers](#), Canadian Centre for Policy Alternatives, p. 9.
- 106** Jennifer Robson, 2020, [“Radical Incrementalism and Trust in the Citizen: Income Security in Canada in the Time of Covid-19,”](#) *Canadian Public Policy/Analyse de politique* 46 (S1), p. S6-7.
- 107** “Workers with relatively low annual earnings were the most likely to receive CERB payments in 2020. Of all workers who earned at least \$5,000 in 2019 and who were in the bottom 10% of the employment income distribution, more than half (55.3%) received CERB payments in 2020.” René Morissette, Martin Turcotte, André Bernard and Eric Olson, 2021, [“Workers receiving payments from the Canada Emergency Response Benefit program in 2020,”](#) StatCan COVID-19: Data to Insights for a Better Canada, Statistics Canada, Catalogue no. 48-28-0001.

- 108** Statistics Canada, July 13, 2022, "[Pandemic benefits cushion losses for low-income earners and narrow income inequality—after-tax income grows across Canada except in Alberta and Newfoundland and Labrador](#)," *The Daily*.
- 109** Employment and Social Development Canada, 2020, [Supporting Canadians through the next phase of the economy re-opening: Increased access to EI and recovery benefits](#), backgrounder.
- 110** Maternity claims rose by 18,250 (24.6 per cent) and parental leave claims by 17,180 (17.5 per cent) between these two six-month periods. CEIC, 2024, *Monitoring and Evaluation Report, 2022-23*; CEIC, 2023, *Monitoring and Evaluation Report, 2021-22*; CEIC, 2022, *Monitoring and Evaluation Report, 2020-21*.
- 111** This change was the result of both women's over-representation in hard-hit industries and the easing of eligibility rules. Statistics Canada, [Table 14-10-0011-01—Employment insurance beneficiaries \(regular benefits\) by province and territory, monthly, seasonally adjusted](#).
- 112** Claudine Provencher and Nora Galbraith, 2024.
- 113** Ana Fostik and Nora Galbraith, 2021, "[Changes in fertility intentions in response to the COVID-19 pandemic](#)," *COVID-19: Data to Insights for a Better Canada*, Statistics Canada, Catalogue no. 48-28-0001.
- 114** Katherine Scott, 2021.
- 115** For example, see The Current, 2022, "[Juggling child care and work, single moms were 'off the radar' in pandemic. Some say they're still struggling](#)," *CBC*; Naomi Lightman, 2022, "[Caring during the COVID-19 crisis: Intersectional exclusion of immigrant women health care aides in Canadian long-term care](#)," *Health and Social Care in the Community* 30(4):e1343-e1351.
- 116** Julia Smith, 2021, "[From 'nobody's clapping for us' to 'bad moms': COVID-19 and the circle of childcare in Canada](#)," *Gender, Work & Organization*, 1-15.
- 117** Canada's total fertility rate (TFR) fell from 1.47 children per woman in 2019 to 1.41 in 2020, rising to 1.44 the next year. The TFR then fell sharply in 2022 to 1.33 and again in 2023 to 1.26, a record low. Canada has experienced one of the steepest post-pandemic declines in fertility among its peers. Fostik and Galbraith, 2024. For a summary of the literature on the connection between parental leave and fertility, see: Jac Thomas, et al., 2022, "The effect of leave policies on increasing fertility: A systematic review," *Humanities and Social Sciences Communications* 9, 262.
- 118** Katherine Scott, 2024, [Work in progress: Women in Canada's changing post-pandemic labour market](#), Canadian Centre for Policy Alternatives.
- 119** See Employment Insurance Policy Directorate, ESDC, 2024, *Impacts of Employment Insurance temporary measures during the pandemic: update and new findings*. Cited in CEIC, 2024, p. 41.
- 120** These figures are based on the total population of parents with children aged 18 months or younger surveyed in the Employment Insurance Coverage Survey.
- 121** In 2023, 80.2 per cent of spouses or partners in Quebec with insured employment claimed or intended to claim paternity or parental benefits from QPIP, up from 76.6 per cent in 2021 (a low year for Quebec). In provinces outside Quebec, the comparable figure was 39.3 per cent of spouses or partners, up almost 10 percentage points from 2021. Statistics Canada, October 30, 2024, "[Employment Insurance Coverage Survey, 2023](#)," *The Daily*.
- 122** McKay, Mathieu and Doucet reference Margaret O'Brien, 2009, who used the terms 'rich' and 'poor' in her study of parental leave system. See "Fathers, parental leave policies, and infant quality of life: International perspectives and policy impact," *The Annals of the American Academy of Political and Social Science*, 624(1): 190–213. Cited in: Lindsey McKay, Sophie Mathieu and Andrea Doucet, 2016, "[Parental-leave rich and parental-leave poor: Inequality in Canadian labour market-based leave policies](#)," *Journal of Industrial Relations* 58(4).

123 In 2021, one in five parents (20.9 per cent) in the bottom quartile living outside of Quebec indicated that their partner claimed or intended to claim parental leave benefits. This compares to over one-third (35.7 per cent) of top quartile parents. In Quebec, over half of parents in the bottom quartile (51.6 per cent) indicated that their partner claimed benefits versus two-thirds of parents in the top quartile (65.9 per cent). Coverage is much better in Quebec but the gap between the top and bottom of the income ladder persists.

124 Statistics Canada, [Table 14-10-0287-01—Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months](#).

125 Statistics Canada, November 3, 2023, [Labour Force Survey, October 2023](#), *The Daily*.

126 UNICEF Canada, 2024, p. 6.

127 This brief summary is based on information presented in the UNICEF's 2019 Evidence Brief: [Paid parental leave and family-friendly policies](#) and UNICEF, 2019, [Family-Friendly Policies. Redesigning the Workplace of the Future. A Policy Brief](#).

128 Serena Canaan, Anne Sophie Lassen, Philip Rosenbaum, Herdis Steingrimsdottir, March 2022, [Maternity Leave and Paternity Leave: Evidence on the Economic Impact of Legislative Changes in High Income Countries](#), Institute of Labor Economics, IZA DP No. 15129.

129 Benoît Laplante, 2024, ["Policy and Fertility, a Case Study of the Quebec Parental Insurance Plan,"](#) *Population Research Policy Review* 43(3):39.

130 It is also the case that longer leaves often have an adverse effect on mothers' wages and employment. Mothers returning to the labour force after a prolonged break have higher rates of involuntary part-time and typically report lower earnings compared to the period before childbirth. The reverse is true as well: women who do not have paid leave are less likely to return to work.

131 Linda Haas and Philip Hwang, 1999, "Parental Leave in Sweden," In *Parental Leave: Progress or Pitfall? Research and Policy Issues in Europe*, Vol. 35, ed. P. Moss and F. Deven, The Hague/Brussels: NIDI CBGS Publications, p. 49. Cited in Doucet, Mathieu and McKay, 2020, p. S277.

132 Liberal Party of Canada, 2019, ["More Time and Money to Help Families Raise Their Kids"](#).

133 Eric Tucker and Leah Vosko, 2021, [Designing Paid and Protected Employment Leaves for Short-Term Sickness and Caregiving](#), Institute for Research in Public Policy.

134 See: Andrea Doucet, Sophie Mathieu, Lindsey McKay, 2020, ["Redesign parental leave system to enhance gender equality"](#), *Policy Options*, Institute for Research on Public Policy.

135 This analysis is based on Statistics Canada's Social Policy Simulation Database and Model 30.2. The assumptions and calculations underlying the simulation were prepared by David Macdonald and the responsibility for the use and interpretation of these data is entirely that of the author's.

136 Quebec's near universal parental leave system is the point of departure for estimating the potential behavioural response to the proposed EI reforms. Using the current EI and QPIP parameters, we have calculated the ratio of average weekly benefits at each point of the earnings distribution—and then use these ratios to estimate increased take up at higher wage replacement rates. We also adjust the weeks taken upwards as EI approaches QPIP benefit levels. This step only affects estimates in the bottom three deciles.

137 We do this by multiplying parental EI support and parental leave weeks taken by 61/35, that is, by the difference in the weeks available under the extended versus standard parental leave plans.

138 See for instance: [Alternative federal budget 2025: A platform for the future, from the ground up](#), Canadian Centre for Policy Alternatives, September 2024.

139 See Employment Insurance Policy Directorate, ESDC, 2024. Cited in CEIC, 2024, p. 41.

140 Andrea Doucet and Kim de Laat, 2022, ["Parental leave needs an overhaul,"](#) *Policy Options*, Institute for Research on Public Policy.

141 See Sophie Mathieu and Corinne Vachon Croteau, 2023, ["The limitations of Quebec's family policy,"](#) *Policy Options*, Institute for Research on Public Policy.

142 Saba Aziz, February 15, 2024, "[Canada's EI system is 'unfair' for new parents, NDP and labour unions say](#)," Global News.

143 Sophie Mathieu, 2021.

144 Our unit of analysis is the "nuclear family" defined as consisting of a couple or a single parent with one or more children (adopted and stepchildren) under 18 years who have never married, all living together in the same dwelling. It excludes extended family members like grandparents, aunts/uncles, or adult children with families of their own, even if they live in the same dwelling.

145 Average weeks taken on QPIP do vary by income decile. New parents in lower income deciles typically take more weeks than those in higher-income deciles.

This report is available free of charge at www.policyalternatives.ca. The Canadian Centre for Policy Alternatives (CCPA) is an independent policy research organization. This report has been subjected to peer review and meets the research standards of the centre. The opinions in this report, and any errors, are those of the author(s) and do not necessarily reflect the views of the CCPA or funders of the report.

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