At Issue ...

At present, the federal government financially supports childbirth and parenting of young children primarily by providing income support to eligible parents through the Employment Insurance (EI) Program. The provincial government is responsible for the labour legislation, the Employment Standards Act in PEI, which is the labour legislation that gives workers the right to use EI leave.

Both levels of government are also employers and, as such, they determine what, if any, additional maternity and parental benefits may be available to their workers. Private and not-for-profit sector employers are also free to determine what benefits they may provide their workers.

Unfortunately, the current work-based approach to maternity and parental benefits excludes some women and fails to provide economic security to many others; therefore, it is discriminatory and does not promote equality.

The work-based approach discriminates against particular groups of women, including teenage mothers, single mothers, immigrant women, visible minority women, Aboriginal women, and women with disabilities. It discriminates against women in part-time and contract work and those who are self-employed or who work at home. It discriminates against mothers who have one or more children already at home. It discriminates against Atlantic Canadian women, in general, and Island women, in particular, because here on the Island our economy depends on the contributions of women workers with low incomes and seasonal work patterns, often within small business environments. However, these same women cannot depend upon their government to support them in the important work of bearing and nurturing children.

With such inequities in place and with a new ruling from the Quebec Court of Appeal saying that it is unconstitutional to use the Employment Insurance Act to offer social benefits, the Government of Canada needs to rethink its work-based approach to supporting new mothers and their children. At the same time, the Province of PEI needs to strategize about how it can do a better job in supporting women, in particular, and families, in general.
Here on Prince Edward Island ...

In 2003, the Advisory Council on the Status of Women provided in-kind support to a Women’s Network PEI project called “Looking Beyond the Surface: An In-Depth Review of Parental Benefits.” This project hosted focus groups across Atlantic Canada, including PEI, where women shared their viewpoints on the current access to parental benefits. The PEI consultation report states, “While women appreciate the increase in [the length of benefits], participants could not say that the current system is working for them.”

What’s not working? The focus groups showed that certain groups of women — non-unionized workers, private sector and not-for-profit sector workers, self-employed business owners, and homemakers — were less likely to be eligible for EI or benefits. Statistics Canada reports that forty-one per cent of women (compared to 29% of men) have non-standard work arrangements. Twenty percent of women who work part-time reported to Statistics Canada that they do so because of family caregiving commitments (compared to 2% of men in the same situation).

The workers who face the most challenges in remaining attached to the paid workforce and who consequently have lowest incomes were also the least likely to be eligible for maternity and parental benefits. For those who are eligible, the majority cannot access any form of additional income top-up during their leave.

Compared to other Atlantic Canadian participants, greater proportions of Island women and their spouses were ineligible for EI benefits. Why were they ineligible? On PEI, it was most likely to be because of their type of work. There was a smaller proportion of full-time workers and a greater proportion of self-employed women. There was greater reliance on seasonal work. Education appeared to have no impact on eligibility for EI or maternity and parental benefits for Island women.

Eligibility affects family size. PEI participants tended to have larger families, except if they were ineligible; then family size drops with eligibility. And, on PEI, most household incomes were below $44,999, the lowest incomes in the region.

The full final report from Women’s Network PEI is available at www.wnpei.org/parentalbenefits/

Our Analysis ...

Unless and until Island women are supported in giving birth to children and caring for their children while participating in the paid workforce, they are faced with three options: a) Cut back on paid work in order to have the desired number of children; b) Cut back on the number of children; or c) Continue to work, have the desired number of children, but suffer the financial and health consequences. None of these options advance society’s desire to create, maintain, and promote strong families and healthy individuals.

There is a need for learning and action on PEI. Individual women are struggling on their own to have their families and maintain their financial well-being — working to bank enough EI hours at the fish plant before the baby is born or returning to their self-owned tourism businesses immediately after giving birth and balancing the care of a baby with demands on the job. Islanders need to learn about the realities of women’s lives and what women are contributing to the economy and to society. We need collectively to come up with ways to support all their work.

As an employer, the Province of PEI has recently included in collective agreements a top-up provision for EI-eligible employees of the Provincial Government. This provision tops up Provincial employees’ salaries to a maximum of 75% of their gross salary for a maximum of 15 weeks. This begins to level the field for women workers. There is still work to be done, however, to match what the federal government offers its employees — a maximum of 93% of their gross salary for a maximum of 50 weeks.
Across Canada...

In Canada, the amount of benefits available to each eligible parent is determined by their work history and delivered through the Employment Insurance (EI) Program. EI maternity benefits for new mothers became available in 1971. Extended parental benefits for either parent were instituted in 1990. Both benefits were enhanced as parental leave in 2001 to a maximum of 50 weeks of combined maternity and parental benefits for eligible parents.

According to a review by Mercer Consulting, compared to other Western nations, Canada places in the middle of the pack in terms of benefits. And, compared to European countries, Canada’s program is not particularly generous. Some European countries replace 80% to 100% of previous earnings. Sweden, France, and Germany offer longer periods, especially for low-income parents. Germany does not require a work history in order to provide benefits.

Canada also offers support to new parents through its Canada Pension Plan Child Rearing Drop-Out Provision. This provision allows for one parent to exclude the months spent caring for a child under seven where there were no outside earnings from the calculation of pension benefits if/when the parent becomes disabled, retires, or dies.

The Canada Child Tax Benefit (CCTB) is intended to provide financial assistance to families with children. It provides a base benefit and a supplement targeted to low-income families. This benefit is indexed to keep up with the cost of living.

Statistics Canada data from 2003 demonstrate that changes to federal legislation in 2001 positively affected women’s ability to take advantage of maternity and parental benefits, in terms of both the amount of the benefits received and the length of time. Between 2000 and 2002, the average number of women receiving EI maternity benefits increased 8.5% across Canada. However, PEI was among the provinces that showed least change, with only a 4.2% increase. Policy change is needed at both the Federal and Provincial levels to allow more Island women to access more benefits for longer.

Our Analysis (continued)...

The province’s Employment Standards Act requires amendments to better accommodate women’s needs. For example, in PEI an employer may require an employee to start a leave of absence if she is not able to perform her job duties within 12 to 14 weeks before her due date. In some provinces, an employer may do so only when there is no alternative employment for the employee. Additionally, the Act should make provisions for parents to deal with diagnosis when children are born with permanent intellectual and/or physical disabilities. Prince Edward Island should model its Employment Standards Act on the best practices in the country to give Island women the best possible chance to benefit from maternity and parental leave.

The pieces of legislation that govern various professions in PEI may also require amendments. They often require particular numbers of hours within specified time periods to maintain professional qualifications. This is discriminatory against women who are trying to combine their profession with the work involved with bearing and nurturing children.

Employers of women may require education on the value of work/life balance so that they are able to respect both aspects of their employees’ lives. Financial incentives in support of topping up employees’ maternity and parental leave would help allow businesses the option of promoting that balance.

Through any means, women’s unique role as childbearers and their work as caregivers must be elevated in society and given economic status. What is most needed is a new vision, nationally and provincially, that respects childbearing and child-rearing as contributions worthy of support in and of themselves, regardless of the mother’s employment history. Given PEI’s unique disadvantages within the current system, this work has considerable urgency here on the Island.
Our Recommendations ...

The PEI Advisory Council on the Status of Women recommends the following actions to the Province of PEI:

To inspire learning and action:

• Host or co-host a provincial forum on the issue of maternity and parental benefits.
• In collaboration with Island women and women’s equality-seeking groups, develop a strategy for increased and ongoing support for women who bear and nurture children.

To serve as a model employer:

• Increase the percentage amount of maternity and parental top-up payments, coverage of medical and pension benefits, and duration of these payments and benefits to all provincial employees at least to the levels received by federal employees. Whenever possible, provide the same level of benefits to currently excluded provincial employees.
• Publicize positive provincial policies in order to model and encourage similar access to benefits and levels of top-ups for all new parents on the Island.

To create the appropriate legislation:

• Revise the *Employment Standards Act* so that its leave provisions are on par with best practices in other Canadian provinces.
• Examine legislation that governs professions on PEI, checking to see whether it is discriminatory towards women and whether it prevents them from taking full advantage of parental benefits, and amend the legislation appropriately.

To encourage private business to support new parents:

• Provide subsidies to businesses that support new parents through top-up payments, continuation of medical, pension, and other benefits, and other provisions designed to enable parents to care for their children and contribute to the paid workplace.
• Conduct a public education campaign designed to raise the level of awareness of special needs of women as employees and their contributions to the economy.
• Protect jobs for women returning to work following maternity and/or parental leave.

To advocate for the interests of Island citizens:

• Work with the federal government so that maternity and parental benefits are administered separately from the *Employment Insurance Act* within a comprehensive support structure for all new parents.