

**POLICY  
BRIEF**

# Access to Parental Benefits in Canada

Sophie Mathieu, PhD

**A 50-year review of access  
to parental benefits in Canada**

**FEBRUARY 2023**

## Access to Parental Benefits in Canada

---

Sophie Mathieu, PhD

**A review of parental benefits in Canada over the past 50 years shows that eligibility criteria have a determining effect on the uptake of benefits.**

### ABSTRACT

Along with subsidized childcare, parental benefits are an important policy tool to help parents balance paid work and childcare. In Canada, only employed parents who meet certain eligibility criteria can receive benefits. This means that, whereas the birth or the adoption of a child creates new expenses for all families, only some families in Canada are eligible for benefits. And while parental benefits in Quebec are paid through the Quebec Parental Insurance Program (QPIP), these benefits are paid through the Employment Insurance (EI) program in the rest of Canada. After almost three decades of increased accessibility to benefits between 1971 and 1996, the replacement of the Unemployment Insurance (UI) program with Employment Insurance (EI) in 1997 made access to parental benefits more difficult for families in Canada. During the COVID-19 pandemic, the eligibility criteria for parental benefits were temporarily relaxed. On September 25, 2022, the federal government quietly reinstated pre-pandemic eligibility criteria to access parental benefits. What does this mean for families in Canada?

### KEY POINTS

- In Canada, parental benefits are tied to employment status. Therefore, unemployed Canadians, stay-at-home parents, and many full-time students (those who rely on loans/scholarships instead of employment income, or who otherwise do not work enough hours to qualify) are not eligible for these benefits.
- Quebec offers parental benefits that are more easily accessible than elsewhere in Canada.
- Access to parental benefits is linked to access to childcare. Parents who are not employed because they do not have access to childcare cannot qualify for parental benefits. These two programs could be linked, both legislatively and in practice.
- During the pandemic, individuals who lost income due to caring for their child or family member and who were not eligible for EI benefits could apply to receive the Canada Recovery Caregiving Benefit (\$500 per week, for up to 26 weeks).
- Work-family discussions on access to caregiving benefits must bring together different stakeholders, including the government, employers, and families.

## Situating Canada among other rich countries

Since the 1990s, high-income countries have gradually implemented programs to help parents balance paid work and caregiving responsibilities. Today, most of these countries offer subsidized childcare and parental benefits, though access to these programs varies substantially from country to country.<sup>1</sup>

As we go to press in February 2023, work is under way to develop a national childcare network in Canada. It follows the Quebec model of affordable, subsidized childcare that has been in place since the late 1990s. Parental benefits, however, have been offered for more than 50 years across Canada. While most children are cared for by their parents, with or without government assistance, maternity, paternity, and parental benefits ensure that employed parents are financially compensated for their childcare work during their job-protected leave.

### The first initiatives: 1971 to 1996

In 1940, the *Unemployment Insurance Act* introduced Unemployment Insurance (UI) benefits to financially support those who had lost their jobs because of economic conditions that were beyond their control. It was through this program that women gained access to maternity benefits in 1971. For the first time in Canada's history, new mothers were no longer required to quit work or return quickly if it did not align with their family's needs.

Offering maternity benefits was an important milestone for women in Canada, as it signalled that women's caring responsibilities for children were recognized in social policy. At the time, access to 15 weeks of maternity benefits was contingent upon having insurable employment for a minimum of 20 weeks at 15 hours or more per week. **This translated into a minimum of 300 hours of insurable employment.**

### MATERNITY, PATERNITY, ADOPTION, AND PARENTAL BENEFITS

**Maternity benefits** are benefits that are available only to the birth mother while she is away from work because of pregnancy or having recently given birth. Mothers who are eligible for maternity benefits are also entitled to parental benefits.

**Paternity benefits** are non-transferable benefits available to the father or second parent. Except in Quebec, the other parent does not have access to take-it-or-leave-it paternity benefits in Canada.

**Adoption benefits** are benefits that are available to either parent of an adopted child. Adoptive mothers do not have access to maternity benefits.

**Parental benefits** are benefits that can be used by the mother only, the other parent only, or shared by both parents at their own convenience. Parental benefits are available across Canada following maternity benefits and, in Quebec, prior to or following paternity benefits as well. Outside Quebec, parental benefits are the only benefits that are available to fathers or the other parent. "Parental benefits" is also a generic expression used to refer to all types of caregiving benefits (maternity, paternity, adoption, and parental) following the birth or the adoption of a child.

Mothers who qualified then had a two-week waiting period, between the end of employment and the first payment of benefits. This waiting period is like the deductible portion that is paid for other types of insurance.

Benefits were to be received for a period beginning eight weeks before the expected birth and ending six weeks after the birth (adoptive parents were not eligible for benefits). There was also a so-called

## Access to Parental Benefits in Canada

---

“magic 10” rule, under which a claimant for maternity benefits had to prove that they had been gainfully employed during the 10 weeks before conception, in order to discourage potential abuse by new mothers who wished to claim benefits.<sup>2</sup> The rule was abolished in 1984, and the benefit period for maternity claims was made more flexible to account for premature or delayed births. The same year, 15 weeks of adoption benefits were introduced. Finally, in 1990, 10 weeks of parental benefits, payable to either parent, were added to the program. The eligibility criteria to access these benefits remained the same.

### Qualifying to receive benefits under the Employment Insurance program

In 1996, the Unemployment Insurance (UI) program was replaced by the Employment Insurance (EI) program. This policy change automatically affected access to parental benefits. As was the case during the previous two decades, access to benefits continued to be tied to employment status. While paid employment has been a condition to receive parental benefits since 1971, it never in itself guaranteed access to these benefits. This access became harder to achieve after 1996.

With the EI program, the eligibility criteria for benefits among Canadians with insurable employment were made more restrictive, and new parents were not shielded from these changes. **Under the EI program, the shift from insurable weeks to insurable hours as criteria meant claimants had to work at least 700 hours (compared with 300 under UI) to qualify.**

This change meant that workers with low weekly hours now needed more weeks to be eligible. For example, a woman working 20 weeks with 15 hours per week (300 hours) would have been entitled to maternity benefits under the UI system; the same woman would require over twice as many hours to qualify for maternity benefits under the EI system.

Since then, eligibility criteria for access to maternity and parental benefits can, in some cases, be tougher than for regular EI benefits. For instance, applicants for regular EI benefits (i.e., anyone who has lost their job) who live in a region with high unemployment are required to have worked only 420 insurable hours in their qualifying period at the time of filing their claim for benefits. The hours requirement for maternity benefits, however, applies in all regions, regardless of the regional unemployment rate.

Statistics Canada reported in 1999 that the proportion of mothers of newborns receiving income support through EI increased during the first two decades following the implementation of maternity benefits, from 30% in 1976 to a peak of 53% in 1992. It stopped growing thereafter. In 1998, the proportion of mothers of newborns receiving maternity benefits was 49%, the same as in 1989.<sup>3</sup> In light of the new EI eligibility criteria enacted in 1996, the Canadian Labour Congress estimated that 10,000 fewer women were able to access maternity benefits because of the increased difficulties in qualifying to receive benefits.<sup>4</sup>

In 2000, amendments to the *Employment Insurance Act* increased parental leave benefits from 10 weeks to 35 weeks. As an incentive for parents to split the extended parental benefits entitlement, the federal government also reduced the waiting period formerly imposed on both claimants. Now only one parent—typically the mother—had to serve the two-week waiting period between the end of employment and the first payment of benefits.

**In addition, and most importantly, the threshold for eligibility was lowered from 700 to 600 hours of insurable employment.**

In just one year, the amendments had a major impact on the uptake of benefits for new parents. According to Statistics Canada, a monthly average of 4,900 parents who would not have qualified under the old program received parental benefits in 2002.

## Access to Parental Benefits in Canada

These parents—4,700 mothers and 200 fathers—received benefits after having worked between 600 and 700 hours during the year before they requested benefits. As a result, the proportion of all new mothers receiving maternity or parental benefits increased from 54% in 2000 to 61% in 2001.<sup>5</sup>

The latest meaningful change (prior to the COVID-19 pandemic) regarding access was reducing the waiting period from two weeks to one week in 2017.

### What about Quebec?

While the federal government was tightening eligibility criteria for EI, the Quebec government took a position in 1996 in favour of creating its own parental insurance plan as part of its new family policy. After years of negotiation with Ottawa, in 2005 the Canada-Quebec Agreement on the Parental Insurance Plan was signed.<sup>6</sup>

With the implementation of Quebec Parental Insurance Plan (QPIP) in January 2006, the original two-week waiting period for obtaining benefits was eliminated. Parents started receiving benefits as soon as their leave started. Parental benefits were available to any parent earning at least \$2,000 during the previous tax year. Basing eligibility on flat-rate earnings rather than on the number of hours worked enabled parents not covered by EI to qualify for QPIP benefits. As a result, non-standard workers, such as part-time employees, contract workers, many students, and the self-employed, gained easier access to benefits.<sup>7</sup> Since then, the uptake of benefits has increased substantially in Quebec yet not in other provinces.<sup>8</sup>

Today, Quebec has the highest rate of benefit use by parents. In 2019, the share of recent mothers with insurable employment in Quebec who received maternity or parental benefits under QPIP was 97.2%, compared with an average of only 87.9% in the rest of Canada.<sup>9</sup>

This may be explained not only by the lower earnings-based eligibility requirement under QPIP but also by the mandatory participation of self-employed persons under QPIP. Outside Quebec, self-employed workers need to register to access EI special benefits. An earlier study also showed that the use of benefits by fathers is also much higher in Quebec than in the other three largest provinces.<sup>10</sup>

### Access to EI benefits during the early months of the COVID-19 pandemic

In March 2020, in response to the COVID-19 pandemic, the federal government temporarily introduced the Canada Emergency Response Benefit (CERB) to provide economic support to Canadians left unemployed by the health crisis. In August 2020, the government unveiled how CERB would end and how it would be transitioned to a simplified EI. Many Canadians had been struggling to accumulate the number of insurable hours normally required to access benefits under the EI program. The federal government transitioned to a simplified EI program on September 27, 2020.

Under this temporary change, the number of hours of work needed to qualify for all EI benefits was significantly reduced because the government introduced a one-time credit of insurable hours. New parents who wished to qualify for maternity and parental benefits only had to **have accumulated 120 hours of work, instead of 600**. New parents therefore received a one-time credit of 480 insurable hours. The hours credit was made retroactive to March 15, 2020 for claimants who were looking to transition early from CERB to EI maternity and parental benefits but were unable to establish their EI claim due to insufficient hours.

According to the 2020 Employment Insurance Monitoring and Assessment Report, 91% of new parents with insurable employment living outside

## Access to Parental Benefits in Canada

of Quebec reported receiving maternity or parental benefits, a slightly higher proportion than the previous years, compared with 99.1% of parents in Quebec.<sup>11</sup> Recent research<sup>12</sup> showed that the use of benefits by fathers in Quebec plummeted in 2020, probably because fathers did not want a reduction in their family income during the period of anxiety and high uncertainty that characterized the early weeks of the pandemic. Outside Quebec, the proportion of fathers who received or intended to claim EI parental benefits remained relatively stable (though much lower than in Quebec) at 19.5% in 2020, compared with 20.5% in 2019 and 15% in 2018.

### From 120 to 600 hours to qualify

As noted, new EI claims filed as of September 27, 2020 were subject to different eligibility rules requiring only 120 hours of insurable employment to access to maternity and parental benefits.<sup>13</sup> On September 25, 2021, eligibility requirements were quietly increased to 420 hours. A year later, on September 25, 2022, the Government of Canada reinstated pre-COVID rules, effectively rolling back eligibility criteria to the 2000 amendments of the *Employment Insurance Act*.

### What does this mean? Reflecting on eligibility criteria to access maternity and parental benefits

Comparative research conducted by the International Network on Leave Policies and Research and Canadian data on the uptake of benefits compiled by the Employment Insurance Coverage Survey clearly show that eligibility criteria is a determining factor in accessing maternity and parental benefits. In Canada, including in Quebec, policies designed to support families are wage-replacement policies. This means that only families where parents are in the labour force qualify to receive benefits when they welcome

a new child. This excludes stay-at-home parents and many students from the parental benefits program.

Other factors that have a determining impact on the uptake of benefits include wage replacement levels and whether entitlements to benefits are on an individual basis (e.g., take-it-or-leave-it benefits) or dependent on the partner's uptake of benefits.<sup>14</sup> Both by national and international standards, Canada does not fare well on these factors.

### Family diversity and wellbeing, and access to parental benefits in Canada

Families' access to parental benefits is a key component of economic and material wellbeing. Consequently, restrictive eligibility criteria to parental benefits have unintended consequences that undermine the wellbeing of families in all their diversities, especially vulnerable and at-risk families. In the context of the Vanier Institute's Family Diversity and Wellbeing Framework, researchers, activists, government agencies, and policymakers are encouraged to pay particular attention to the characteristics of families who are thriving, who are marginalized, and who are harmed by the current parental benefits program.

One way to do this might be to compare the approaches taken by Quebec and other provinces and territories. For example, one-parent families may not be as well served as two-parent families by the parental benefits programs, especially outside Quebec. In addition, access to benefits is more difficult among some occupational groups, regardless of policies in place. Ironically, this has been the case for members of Parliament. Finally, because of their unique characteristics and identity, new immigrant, Indigenous, and LGBTQ2S+ families could be underrepresented among benefit recipients.

## RECOMMENDATIONS

For provinces and territories outside Quebec, look closely at the Quebec Parental Insurance Plan (QPIP) to:

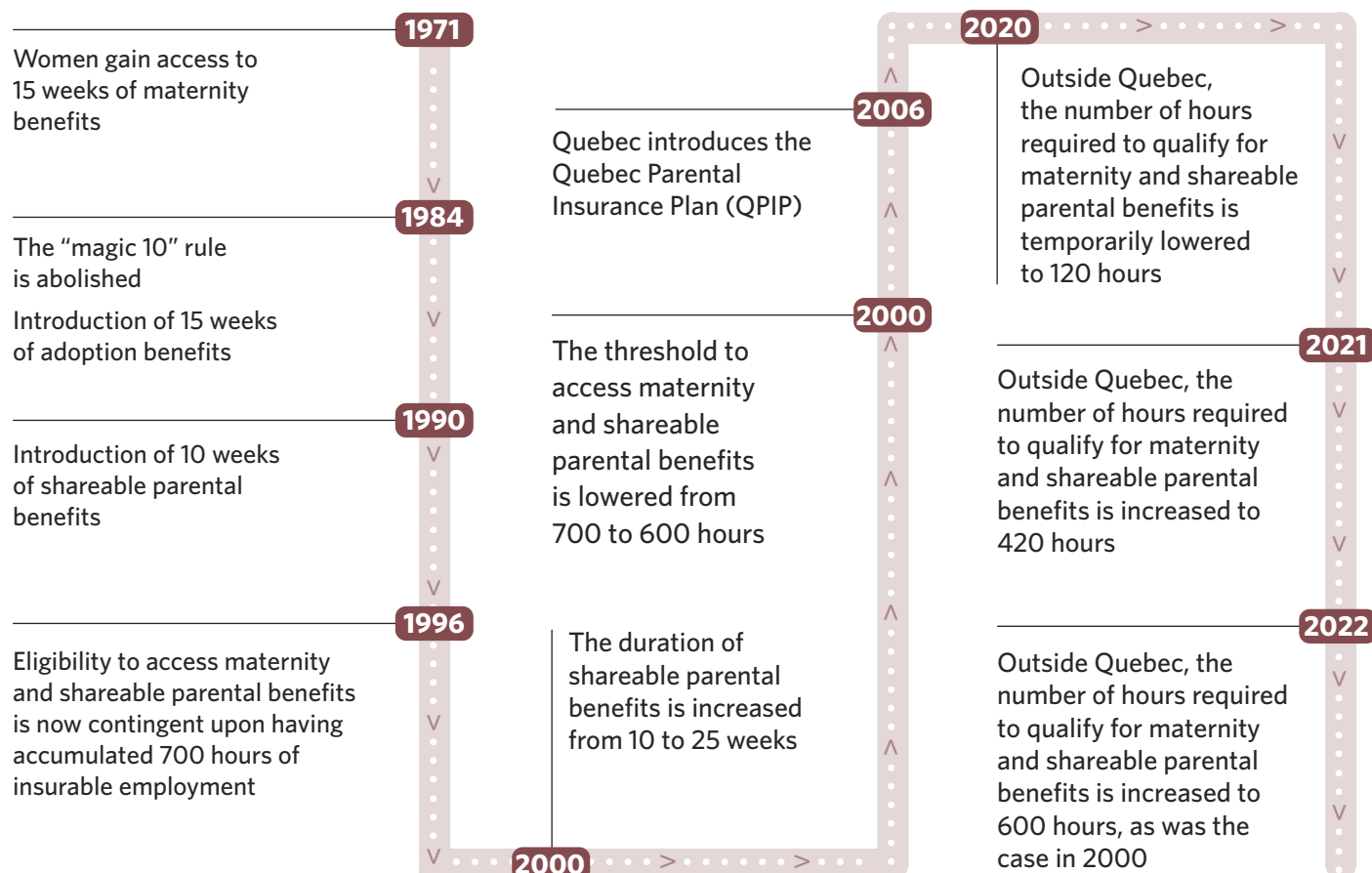
- Lower eligibility criteria to increase accessibility to caregiving benefits, such as maternity, paternity, and parental benefits;
- Encourage and support fathers who wish to take time off following the birth or the adoption of a child by increasing EI wage replacement rates and creating separate take-it-or-leave-it paternity benefits; and

- Eliminate the one-week waiting period before parents have access to benefits.

For all provinces and territories, learn from the Canada Emergency Response Benefit (CERB) and the Canada Recovery Caregiving Benefit (CRCB) experiences to:

- Introduce minimum benefits of \$500 per week for each new parent, independent of their work history.

## TIMELINE



## Access to Parental Benefits in Canada

<sup>1</sup> Gromada, A., & Richardson, D. (2021). Where do rich countries stand on childcare?, UNICEF Office of Research—Innocenti, Florence. <https://www.unicef-irc.org/publications/pdf/where-do-rich-countries-stand-on-childcare.pdf>

<sup>2</sup> Towson, V., & Hayes, K. (2007). *Women and the Employment Insurance Program: The Gender Impact of Current Rules on Eligibility and Earnings Replacement*. Ottawa, Ontario: Status of Women Canada 2007.

<sup>3</sup> Statistics Canada. (1999, October 25). Employment Insurance support to families with newborns. *The Daily*.

<sup>4</sup> Canadian Labour Congress (CLC). (2000). Analysis of UI Coverage for Women. Ottawa: Canadian Labour Congress, cited in Pulkingham, J., & van der Gaag, T. (2004). Maternity/parental leave provisions in Canada: We've come a long way, but there's further to go. *Canadian Woman Studies/Les cahiers de la femme*, 23(3). <https://cws.journals.yorku.ca/index.php/cws/article/view/6246>

<sup>5</sup> Statistics Canada. (2003, March 21). Benefiting from extended parental leave, 2001. *The Daily*.

<sup>6</sup> The Agreement stipulated that the premiums Quebec citizens paid into the EI program would be reduced as of the date that QPIP came into effect. Whereas all regular EI benefits and EI special benefits (such as sickness benefits, compassionate care leave, and benefits for parents of critically ill children) remained available to Quebec residents, the province would become responsible for its own parental benefits.

<sup>7</sup> The \$2,000 threshold to access benefits is still in effect in 2023.

<sup>8</sup> Mathieu, S., Doucet, A., & McKay, L. (2020). Parental leave and intra-regime differences in a liberal country: The case of four Canadian provinces. *Canadian Journal of Sociology*, 45(2), 169-194. <https://doi.org/10.29173/cjs29504>

<sup>9</sup> Canada Employment Insurance Commission (CEIC). (2021). *2019/2020 Employment Insurance Monitoring and Assessment Report*. <https://www.canada.ca/content/dam/canada/employment-social-development/programs/ei/ei-list/reports/2019-20-EI-MAR-EN.pdf>

<sup>10</sup> Mathieu, S., Doucet, A., & McKay, L. (2020).

<sup>11</sup> Canada Employment Insurance Commission. (CEIC) (2022). *2020/2021 Employment Insurance Monitoring and Assessment Report*. [https://www.canada.ca/content/dam/esdc-edsc/documents/programs/ei/ei-list/reports/monitoring2021/2020-2021\\_EI\\_MAR-EN.pdf](https://www.canada.ca/content/dam/esdc-edsc/documents/programs/ei/ei-list/reports/monitoring2021/2020-2021_EI_MAR-EN.pdf)

<sup>12</sup> Mathieu, S., & Gendron, M. (2022). Paternity benefit use during COVID-19: Early findings from Quebec. Vanier Institute of the Family. <https://vanierinstitute.ca/paternity-benefit-use-during-covid-19-early-findings-from-quebec/>

<sup>13</sup> They were also provided a different level of income support than EI claims established prior to September 27, 2020, under the original EI rules.

<sup>14</sup> Doucet, A., Mathieu, S., & McKay, L. (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. <https://doi.org/10.3138/cpp.2020-091>

**Dr. Sophie Mathieu** works as the Senior Program Specialist at the Vanier Institute of the Family. She holds a PhD in sociology, and she specializes in the study of family policy, social reproduction, and gender inequality. Dr. Mathieu is a member of the National Advisory Council on Early Learning and Child Care.

The Vanier Institute of the Family is a national, independent, charitable organization committed to enhancing family wellbeing by making information about families accessible and actionable. Positioned at the centre of networks of researchers, educators, policymakers, and organizations with an interest in families, we share evidence and strengthen the understanding of families in Canada, in all their diversities, to support evidence-based decisions that promote family wellbeing.

The Vanier Institute of the Family  
94 CentrepoinTE Drive  
Ottawa, Ontario K2G 6B1  
613-228-8500  
[www.vanierinstitute.ca](http://www.vanierinstitute.ca)



This work is licensed under a CC BY NC 4.0 license 2023

### How to cite this document:

Mathieu, S. (2023). *Access to parental benefits in Canada: A 50-year review of access to parental benefits in Canada* [Policy brief]. The Vanier Institute of the Family.

© 2023 The Vanier Institute of the Family