

Get finances in order for parental leave



BY **Suzanne Sharma** February 15, 2018

Editor's note: This is an updated version of a story that first ran in 2016.

You and your partner are expecting. Congratulations! As your mind begins to wander to all things baby-related, you also need to plan to take time off work.

Aside from alerting your manager and Human Resources department, think about how you'll afford the time off.

Consider that your expenses will be higher since you'll have an extra person to feed and clothe.

Fortunately, Canada offers one of the best Employment Insurance (EI) programs for mothers and fathers (see "Parental leave elsewhere," below). Mothers are eligible for a total 50 weeks of paid EI. Here's how it breaks down.

If you're the biological or surrogate mother of the newborn, you're first eligible for up to 15 weeks of EI maternal leave, which can **start as early as 12 weeks before the due date**, and end as late as 17 weeks after the birth.

Then, new parents are eligible for up to 35 weeks of standard EI parental benefits at a weekly benefit rate of 55% of your average weekly insurable earnings. There's also an extended benefits option, which provides a maximum of 61 weeks of leave at a weekly benefit rate of 33% of your average weekly insurable earnings.

Also, two parents can share these benefits. For the standard benefits option, for instance, parent A can take 20 weeks of benefits. That leaves parent B to take the remaining 15 weeks. If the mother takes all the leave, that's the full 50 weeks.

If you're a new parent to an adopted child, you're also eligible for the same benefits that fall under parental leave (35 weeks or 61 weeks).

If you're self-employed, you need to have earned a minimum of \$6,947 in 2017 to be eligible for EI special benefits, including parental leave. [Click here for more.](#)

The amount you receive from EI varies on your annual earnings, as well as the maximum insurable earnings that year, which is determined by the Government of Canada. As of January 2018, you can get **a maximum benefit of \$547** per week. If you take extended benefits, you'll get 33% of your average insurable weekly earnings.

You must apply for these benefits no later than four weeks after the date you stop working, and **can apply online** or at **a Service Canada Centre**.

Income from your employer

Apart from EI, you may also receive additional income from your employer.

Companies will calculate your additional income based on the amount you receive from EI, base earnings, and the year's maximum insurable earnings (again, \$547 this year).

If you're a regular, full-time employee, generous employers may pay you 100% of your earnings for the first two weeks (there's often a two-week waiting period before you begin to receive EI).

Then, you may also receive 100% of your earnings for the next two weeks. The company will deduct the amount you receive from EI, and pay you the remainder.

In weeks five and six, the company will again deduct the amount you receive from EI, and top you up to 70% of your earnings.

Finally, in weeks seven to 17, you'll receive 70% of your regular earnings above the weekly EI maximum.

However, not all employers offer top-ups, or may offer them in different percentages, so check with your Human Resources department to be sure.

Other considerations: ask whether you'll continue to receive benefits, or your vacation or participation in an ESOP, for instance, will continue to accrue during your leave.

Prepare for your leave replacement

As soon as you know you're planning to take leave, work with your manager to create a document and update it regularly until your final day in office. Include your job duties, as well as specific instructions for each task.

The goal is to help your replacement adjust and support your team during the time you're gone. And, this document will also serve as a refresher to you upon your return.

You may want to share this document with your team members, who can add in anything you've missed.

Also, think about must-have qualities for your replacement. This will help during the hiring process, which you should ask your manager to be involved in. After all, no one knows your job better than you.

Are you eligible?

You may be eligible to receive EI maternity or parental benefits if:

- you are employed in insurable employment;
- you meet the specific criteria for receiving EI maternity or parental benefits;
- your normal weekly earnings are reduced by more than 40%; and
- you have accumulated at least 600 hours of insurable employment during the qualifying period or, if you are a self-employed fisher, you have earned enough money during the qualifying period.

Source: Government of Canada

Parental leave elsewhere

U.S.

The Family and Medical Leave Act requires that all companies with 50 or more employees offer employees **up to 12 weeks of unpaid leave** if they have a new baby, regardless of whether you're the mother or father. There is no federally regulated paid leave. Several states, including California, Massachusetts and New Jersey, offer publicly funded maternity leave. New York most recently passed a paid family leave legislation. The amount you get varies by state. For instance, in New York this year, you get **eight weeks of paid leave** at 50% of your salary. Very few employers offer paid leave.

U.K.

New mothers are eligible for 39 weeks of **Statutory Maternity Pay**. This includes:

- 90% of your average weekly earnings (before tax) for the first six weeks; and
- £140.98 or 90% of your average weekly earnings (whichever is lower) for the next 33 weeks.

The government also allows **up to 18 weeks of unpaid parental leave** for each child, until the child turns 18 years old. You do not have to take this leave as soon as your child is born.

Australia

Parents in Australia can get **a maximum of 18 weeks of leave**. How much you get varies on your adjusted taxable income, which the government determines. This year, the maximum benefit amount is \$695 per week.