

## MATERNITY AND PARENTAL LEAVES Group Benefits and Employment Insurance (EI)

### Group benefits while on leave

While on maternity/parental leave, employees are entitled to the same employee benefits that they received while actively at work. Employer and employee contributions towards benefits remain the same as well. For example, if the employer pays 100% of the premium for life insurance and AD&D, they are required to continue paying the premiums throughout the leave. If the employee pays 100% of the premium for a certain benefit (e.g. LTD), the employee is required to pay the premium during the leave to continue eligibility for that benefit.

For benefits where the employee and employer both contribute to the premiums, the employee is required to pay for their portion of the premium cost during the leave. If the employee elects not to pay for the coverage, the employer has the right to cancel the coverage on the day after the leave begins.

### Opting out of coverage

The employee also has the ability to opt out of coverage during the leave period. There are things to note should an employee decide to opt out of coverage. Upon their return to work, they may need to;

- complete the waiting period for coverage again
- begin any pre-existing conditions waiting period from the date of return to work
- be required to provide proof of insurability for some benefits

Life and disability benefits tend to be mandatory benefits. Therefore there is often no option of opting out of these coverages. If it is allowed, the employee should be required to sign an “opt-out” form that clearly outlines the implications to terminate coverage during the leave.

### Disability benefits while on leave

Disability benefits cannot be claimed while on maternity or parental leave, because the employee is not considered actively at work. However, if the prescribed waiting period has been met, the employee can file a claim for disability benefits if they are unable to return to work on the scheduled date. If the employee opted out of all coverage, they would have to meet the eligibility rules based on the return to work date. Therefore, it is crucial for the employee or employer (according to how the plan was set up) to continue paying disability premiums during the leave.

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**Treat each client as if they were our only client.**

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**We are completely independent.** We work for you and offer total flexibility on insurers and plans.

We offer all your group insurance services including administration, brokerage, consulting, and communications.

We provide dedicated client support, customization and flexibility to meet all of your company's benefits needs. And we make **solid group plans simple.**



## Review Your Policies

It is always a good idea to review your company policies with regard to maternity and parental leaves. This should include the method by which the employee portion of premiums is collected for the duration of the leave. We also advise you to document your maternity and parental leave provisions and to clearly communicate the information to your employees.

## Employment Insurance (EI) Coverage

EI **maternity benefits** are offered to biological mothers, including surrogate mothers, who cannot work because they are pregnant or have recently given birth. A maximum of **15 weeks** of EI maternity benefits is available. Benefits can be paid as early as 12 weeks before the expected date of birth, and can end as late as 17 weeks after the actual date of birth. The weekly benefit rate is 55% of the claimant's average weekly insurable earnings up to a maximum amount.

EI **parental benefits** are offered to parents who are caring for a newborn or newly adopted child or children.

There are two options available for receiving parental benefits: standard or extended.

- **Standard parental benefits** can be paid for a maximum of **35 weeks** and must be claimed within a 52 week period (12 months) after the week the child was born or placed for the purpose of adoption. The weekly benefit rate is 55% of the claimant's average weekly insurable earnings up to a maximum amount. The two parents can share these 35 weeks of standard parental benefits.
- **Extended parental benefits** can be paid for a maximum of **61 weeks** and must be claimed within a 78-week period (18 months) after the week the child was born or placed for the purpose of adoption. The benefit rate is 33% of the claimant's average weekly insurable

earnings up to a maximum amount. The two parents can share these 61 weeks of extended parental benefits.

You can choose to claim extended parental benefits **only** if your child was born or placed with you for the purpose of adoption on or after December 3, 2017.

**Note:** Currently only Ontario (December 3, 2017) and Alberta (January 1, 2018) have amended their Employment Standards Act to include the Extended parental benefit leave. In all other provinces, employees who are not federally regulated, may not be eligible for the Extended parental benefits. Therefore, employees should confirm with their employers as to whether the company will accept the extended plan.

## Eligibility

You may be eligible to receive Employment Insurance (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.

For more information regarding eligibility go to; <https://www.canada.ca/en/services/benefits/ei/ei-maternity-parental/eligibility.html>

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