

Reducing barriers to accessing birthing benefits in line with COVID-19 reductions

Executive Summary

- The proportion of low-income families accessing birthing benefits through EI is far lower than for high-income families
- The COVID-19 pandemic has demonstrated the ability of the government to accept birthing benefit applications from workers with fewer insurable hours
- EI eligibility must be expanded to include a greater proportion of low-income workers by reducing the required insurable hours or by otherwise altering eligibility guidelines

Introduction

In 2013, the Employment Insurance (EI) system provided birthing benefits to half the proportion of people who give birth in families with household incomes below \$30 000 compared to the Quebec Parental Insurance Plan.¹ Disparity in the proportion of households granted benefits between different income brackets increased between 2004 and 2013; **there was a reduction of almost 20% in the proportion of parents with household incomes less than \$30 000 who received birthing benefits, compared to a 1% reduction for households with incomes greater than \$60 000.**¹ A change to the distribution of birthing benefits made in 2018 was likely more beneficial for high-income families.²

Lindsey McKay and colleagues suggest that **the 600 hours worked requirement is a major reason for the low proportion of families with incomes below \$30 000 receiving birthing benefits.**¹ Part-time workers, students, and those between jobs have been identified as groups at risk of being unable to complete their insurable hours.² These often include people who could benefit greatly from access to birthing benefits, due to their lack of social and/or economic support. **Access to birthing benefits has also been linked to increased parental and child health, participation in the labour market, and financial security.**³

Policy alternatives

1. Permanently reduce the required insurable hours to match the current reduction (from 600 to 120) put into place due to COVID-19
 - The pandemic has demonstrated the feasibility of this approach as well as the stability it provides to the families it benefits
 - Proven by precedence
 - Note that 3.5 weeks of full-time employment will yield 120 hours but that a more weeks worked will be necessary for workers who are not employed full-time
 2. Follow Quebec eligibility guidelines and provide birthing benefits to parents who have earned at least the amount made working 160 hours at their province's minimum wage (hours required = 160*(min wage))
 - This requirement based on earnings rather than hours has been linked to the higher proportion of families, especially those not employed full-time, receiving birthing benefits in Quebec
 - Proven by precedence
 - Note that this alternative still prioritizes workers with higher hourly wages and leads to irregularities between hours worked to qualify between provinces
- Disadvantages to both policy alternatives include greater upfront government financial input. Note, again, that these costs were still overcome for the COVID-19 pandemic and that labour market participation as well as lowered health complications, both linked to access to birthing benefits, reduce government expenditures.

Policy recommendation

The pandemic has made clear for all the fragile state of workers' employment. As hours worked are not solely a function of a person's desire or ability to work, those who are unable to work for 600 hours in a year should not be penalized.

Families are denied access to services that privileged groups are more likely to obtain without struggle. **As BIPOC,⁴ 2SLGBTQIA+,⁵ disabled,⁶ and other marginalized groups⁶ account disproportionately for low-income households, the inaccessibility of birthing benefits is discriminatory and further marginalizes these groups.** The pandemic has made clear that one's class, including their economic and social standing, is not solely a function of one's own choices or aspirations. The state of systems largely outside of the general population's control greatly impacts their conditions, including housing conditions and economic conditions. Note, for instance, that race disaggregated data on COVID-19 is scarce across the country, but that existing studies have found that racialized groups have experienced a disproportionate number of COVID-19 cases, hospitalizations, and deaths.⁷

We recommend the implementation of Policy 1, as it is more suitable for workers with lower incomes as the lower hour requirements coupled with the lack of a monetary value requirement allow for easier access to benefits. This policy would **ideally ensure that the proportion of people who receive birthing benefits is consistent between income brackets.** This consistent proportion, however, would ideally match or surpass the proportion of people in higher income households who received benefits in 2013 (approximately 75%), rather than the proportion of people in households making less than \$30 000 a year who received benefits (under 45%).

**Decrease barriers to financial stability, health, and valuable economic participation
by increasing access to birthing benefits.**

Sources

¹ McKay L, Mathieu S, Doucet A. Parental-leave rich and parental-leave poor: Inequality in Canadian labour market based leave policies. *Journal of Industrial Relations*. 2016;58(4):543-562. doi:10.1177/0022185616643558

² Doucet A, Mathieu S, McKay L. Reconceptualizing Parental Leave Benefits in COVID-19 Canada: From Employment Policy to Care and Social Protection Policy. *Canadian Public Policy*. 2020;26(3):272-286. doi:10.3138/cpp.2020-091

³ Nandi A, Jahagirdar D, Dimitris MC, Labrecque JA, Strumpf EC, Kaufman JS, Vincent I, Atabay E, Harper S, Earle A, Heymann SJ. The Impact of Parental and Medical Leave Policies on Socioeconomic and Health Outcomes in OECD Countries: A Systematic Review of the Empirical Literature. *Milbank Q*. 2018;96(3):434-471. doi: 10.1111/1468-0009.12340

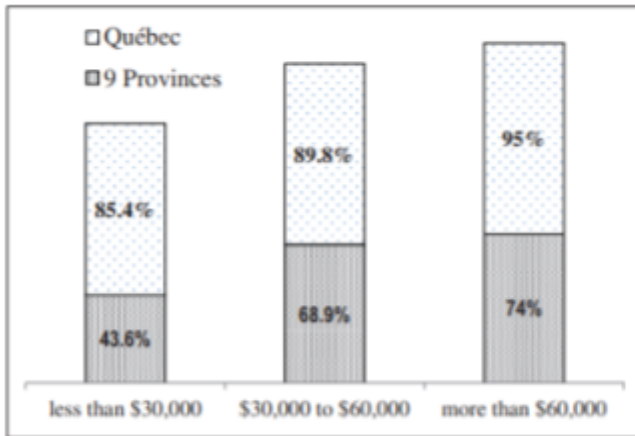
⁴ Block S, Galabuzi G-E. *Canada's Colour Coded Labour Market: The Gap For Racialized Workers*. Canadian Centre for Policy Alternatives; 2011.

⁵ Kia H, Robinson M, MacKay J, Ross LE. Poverty in Lesbian, Gay, Bisexual, Transgender, Queer, Two-Spirit, and Other Sexual and Gender Minority (LGBTQ2S+) Communities in Canada: Implications for Social Work Practice. *Research on Social Work Practice*. March 2021. doi:10.1177/1049731521996814

⁶ Government of Canada. *Towards a Poverty Reduction Strategy: A background on poverty in Canada*. Ottawa: Government of Canada, 2016.

⁷ Blair A, Warsame K, Naik H, Byrne W, Parina A, Siddiqi A. Identifying gaps in COVID-19 health equity data reporting in Canada using a scorecard approach. *Canadian Journal of Public Health*. 2021;. <https://doi.org/10.17269/s41997-021-00496-6>

Appendix



Proportion of people who give birth who received birthing and/or parental benefits by household income and program, 2013. Figure from McKay et al, 2016.



Proportion of people who give birth who received birthing and/or parental benefits by household income, EI program, 2004 and 2013. Figure from McKay et al, 2016.

Links to suggested reading

For a better understanding of the [framework of relational poverty](#)

For a better understanding of the [meaning of exclusionary closure \(here explained by examining professions\)](#)

For a better understanding of the [relationships between poverty, income inequality, and health in Canada](#)

For a better understanding of the [higher proportion of COVID effects in racialized communities in Ontario](#)

For a better understanding of the [higher proportion of COVID effects in racialized communities in Toronto](#)