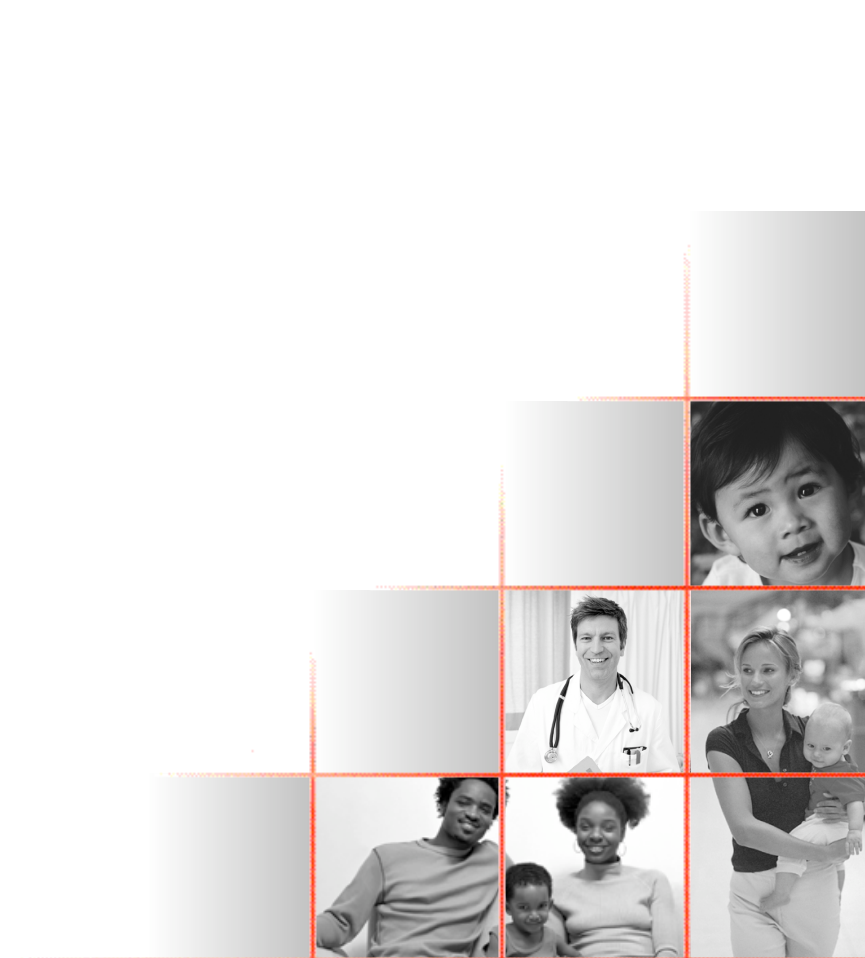




# Maternity, parental and sickness benefits



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# Section I

## Introduction

Under the *Employment Insurance Act*, eligible claimants are entitled to maternity, parental and sickness benefits. This booklet outlines how these benefits may apply to you.

## What's new?

Changes to special benefits effective March 3, 2002 include:

- A possible 65 weeks of benefits for situations where a birth mother has received a combination of maternity, parental and sickness benefits.
- Flexibility for parents of hospitalized children.

## What does this mean to you?

### **Combination of Special Benefits for Birth Mothers**

Since March 3, 2002, the 50-week maximum benefit payment on a claim has been increased to a possible 65 weeks for situations where a birth mother has received a combination of maternity, parental and sickness benefits. If any regular benefits have been paid in the benefit period, the maximum payment cannot exceed 50 weeks.

### **Flexibility for parents of hospitalized children**

The window in which to receive parental benefits will now be extended for each week that a child is hospitalized. This change is effective for all claims commencing April 21, 2002.

If you need more information, contact your local Human Resources and Skills Development Canada (HRSDC) office. These offices have staff whose job it is to make certain that you get all the benefits to which you are entitled.

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## Quick answers

**Q. When are the new rules effective?**

**A.** A. The new rules on the combination of special benefits for birth mothers came into effect on March 3, 2002 and the rules related to hospitalized children apply to any claims commencing April 21, 2002. (see pages 3 to 7).

**Q. Where do I apply?**

**A.** On-line on the HRSDC EI Internet site or at your local HRSDC office (see page 8).

**Q. When should I expect my first payment?**

**A.** If you provide us with all the information and documents we require when you apply and if you qualify for benefits, you should receive your first payment usually within 28 days from the date we receive your application (see page 14).

**Q. How much should I receive?**

**A.** The basic benefit rate is 55% of your average weekly insured earnings for most claimants. For claimants who have low family income and who are in receipt of the Canada Child Tax Benefit (CCTB) from the Canada Revenue Agency (CRA), your rate could be higher (see page 9).

**Q. How long can I collect maternity, parental or sickness benefits?**

**A.** The maximum benefits payable are:

Maternity: 15 weeks

Parental: 35 weeks (can be shared with your partner)

Sickness: 15 weeks

A combination of maternity, parental and sickness benefits cannot exceed 50 weeks in a 52-week period. There are situations where the benefit period may be extended to allow the birth mother to receive maternity, parental and sickness benefits up to a maximum of 65 weeks (see pages 3 to 7).

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## Section II

### Who is eligible?

- Maternity benefits – birth mothers
- Parental benefits – biological and adoptive parents
- Sickness benefits – people whose illness prevents them from working

You may be entitled to Employment Insurance (EI) benefits provided you meet these requirements:

- you must apply;
- you must have paid into the EI account; and
- you have worked the required number of hours or, for self-employed fishers, have sufficient earnings in the qualifying period.

### Maternity and parental benefits explained

You may be entitled to EI benefits if you are pregnant, have recently given birth, are adopting a child or are caring for your newborn baby. Both parents may be entitled to parental benefits.

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- A maximum 15 weeks of maternity benefits are payable to the biological mother in a period (see below for explanation) surrounding the birth of the child. To be eligible, you will need 600 hours of insured work in the last 52 weeks or since the start of your last claim – whichever is shorter. If you are a self-employed fisher, you will need \$3,760 in fishing income in the maximum 31-week period before your claim starts.
  - A maximum 35 weeks of parental benefits are payable to both biological and adoptive parents. You will each (if sharing parental benefits) need 600 hours of insured work in the last 52 weeks or since the start of your last claim – whichever is shorter, – to be eligible. Self-employed fishers will need \$3,760 in fishing income in the maximum 31-week period.
  - The number of weeks of maternity or parental benefits you are eligible for does not increase if you have a multiple birth or adopt more than one child.
  - Birth mothers can apply for parental benefits at the same time as applying for maternity benefits.

### **Maternity benefits**

You can start collecting maternity benefits up to eight weeks before you are scheduled to give birth or start the week you give birth. Fifteen (15) weeks of maternity benefits are allowed after the two-week waiting period and can be collected up to 17 weeks of the actual week of confinement or the week of expected confinement – whichever is later.

This window for payment allows you to determine within the allowed timeframe when your benefits can start and end.

However, if you received maternity benefits prior to the birth and wanted to receive the remaining benefits when the child comes home, then you would have to advise the local HRSDC office to make the necessary adjustment.

You do not have to complete claimant reports while on



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maternity benefits unless you work, in which instance you should contact your local HRSDC office. If you work while on maternity benefits, your earnings will be deducted dollar for dollar from your benefits.

### **Parental benefits**

Parental benefits can be collected for up to 35 weeks by biological or adoptive parents while they are caring for a newborn or newly adopted child. Parental benefits are payable to the biological parents from the date of birth. For adoptive parents, parental benefits are payable from the date the child is placed for adoption. If shared, one parent per birth or adoption need serve only one waiting period.

Parental benefits for biological parents are payable from the **child's birth date** and for adoptive parents from the **date the child** is placed with you. Parental benefits are normally only available within the **52 weeks** following the child's birth, or for adoptive parents within the **52 weeks** from the date the child is placed with you. If your child is hospitalized, the period for which you may claim parental benefits can be extended.

There are many choices to be made when determining how you want to take advantage of parental leave so that your own family situation is accommodated.

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For example:

If both parents are sharing parental benefits, you can take the time together (the 35 weeks can be shared in whatever proportion between the two of you). Or, you may want to go back to work after your maternity leave is finished and let your partner take the full 35 weeks. Or, you may only want to take a few weeks of parental benefits and then return to work, while your partner takes the remaining time – it's your choice.

You may decide to go back to work after you have taken a couple of weeks of parental leave. Then, a few weeks later you realize you would like to be home with your child. You can still use the weeks of parental benefits you have left as long as the weeks you take do not exceed the 52 weeks since your child's birth or placement with you for adoption.

If you are unsure that your particular variation is okay, check with your local HRSDC office.

### **Working while on parental benefits**

Claimants on parental benefits are able to work while on claim. You can earn \$50 or 25% of your weekly benefits – whichever is higher. Any monies earned above that amount will be deducted dollar for dollar from your benefits.

If you have opted not to complete claimant reports while on parental benefits, you must contact **Insurance Telemessage at 1 800 206-7218** to report any earnings.

### **Flexibility for parents of hospitalized children**

Parents of newborn or newly adopted children who are hospitalized for an extended period of time may now choose to wait until their child comes home from hospital before filing their claim for parental benefits. Parents will now have a window of up to two years from the date of birth or placement for purposes of adoption within which to claim their parental benefits.

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## Sickness benefits explained

Sickness benefits apply to situations where you are sick, injured or in quarantine. Benefits are paid for up to 15 weeks.

If you have established a claim with less than 600 hours (for fishers less than \$3,760), you are not entitled to sickness benefits if the reason for separation from your last employment is illness. If you are collecting regular benefits on this claim and become ill, you may be entitled to benefits.

It is possible to receive sickness benefits in addition to maternity or parental benefits, but you normally cannot receive more than 50 weeks of combined maternity, parental and sickness benefits in one benefit period.

You must have a medical certificate telling us how long your illness is expected to last.

If you work while on sickness benefits, your earnings will be deducted dollar for dollar from your benefits.

While you should apply for benefits as soon as you stop work or become unable to work, sometimes people are too ill to apply right away. If this is the case for you, tell us about it and we may be able to back date your claim to the time your earnings stopped.

### **Combining maternity, parental and sickness benefits**

A combination of maternity (birth mothers only), parental and sickness benefits can be received up to a combined maximum of 50 weeks in a 52-week benefit period. However, since March 3, 2002, the 50-week maximum benefit payment on a claim has been increased to a possible 65 weeks for situations where a birth mother has received a combination of maternity, parental and sickness benefits. If any regular benefits have been paid in the benefit period, the maximum payment cannot exceed 50 weeks. This means that biological mothers can claim their 15 weeks of maternity benefits and up to 15 weeks of sickness benefits during their pregnancy and still receive their full parental benefits as long as they do not receive any regular benefits.

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## Section III

### How to apply

Fill out an EI application form on-line from the Employment Insurance website or at your local HRSDC office. Check the telephone directory under Human Resources Development Canada for the office nearest you, all addresses are also listed on our website.

If applying for maternity benefits, both parents can also apply for parental benefits at the same time.

You will need:

- your Social Insurance Number (SIN); and
- your Record of Employment (ROE). This is a form your employer must give you. It tells how long you worked and how much you earned with that employer. If you have more than one ROE because, for example, you have worked for more than one employer within the last 52 weeks, then provide all your ROEs when you apply;

When applying for benefits don't forget that your benefit payment can be deposited directly to your bank account. Ask about our Direct Deposit service.

### Hours of insured work

#### Non-fishers

To be eligible for maternity, parental and sickness benefits, you must have worked a minimum of 600 insured hours in the past 52 weeks or since the start of your last claim, whichever is shorter.

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If you get sick when you are collecting regular benefits, it is possible to be eligible for sickness benefits with fewer than 600 hours.

### **Self-employed fishers**

Self-employed fishers will need a minimum \$3,760 from self-employment in fishing in a maximum 31 week qualifying period before their claim starts.

### **How much will you receive?**

The basic benefit rate is 55% of your average insured earnings up to a maximum of \$413 per week. If you are in a low-income family (a net income of less than \$25,921) with children and you receive the Canada Child Tax Benefit (CCTB), your benefit rate may be as high as 80 % of your average insured earnings however the maximum payment of \$413 will not change. Please see our fact sheet *Employment Insurance and the Family Supplement*.

You do not have to apply for the family supplement. If you are eligible to receive it, your entitlement will automatically be added to your EI payment.

### **How we calculate your average insured earnings**

The amount of your weekly benefit payment will depend on your earnings in the last 26 continuous weeks or, for self-employed fishers, the 31-week qualifying period.

Your weekly benefit rate will be calculated in the following manner.

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## Non-fishers

1. We look at the total earnings you have been paid in the last 26 continuous weeks ending with your last day of work.
2. We take into consideration the number of weeks in which you have worked in the last 26 continuous weeks.
3. We determine the unemployment rate in your area and the minimum divisor that applies at that unemployment rate (see table on page 14).
4. To determine your average weekly insured earnings, we divide your total earnings in the last 26 continuous weeks by the **greater** of:
  - a) the number of weeks you have worked in the last 26 continuous weeks; or
  - b) the minimum divisor number.
5. We then multiply the result by 55% (or the benefit rate which applies to you) to obtain your weekly benefit. The maximum amount is \$413 per week.

### Example A

1. In the last 26 continuous weeks, you worked for 26 weeks and earned a total of \$10,400.
2. You live in an area where the unemployment rate is 13.1% so the minimum divisor is 14.
3. To determine your average weekly earnings, your total earnings (\$10,400) will be divided by 26 (the number of weeks worked) as it is greater than the divisor (\$10,400 divided by 26 = \$400).
4. If your basic benefit rate is 55%, then you could receive \$220 per week in benefits (55% of \$400).

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### **Example B**

1. In the last 26 continuous weeks you worked for 12 weeks and earned a total of \$3,600;
2. You live in an area where the unemployment rate is 13.1% so the minimum divisor is 14;
3. To determine your average weekly earnings, your total earnings (\$3,600) will be divided by 14 (the minimum divisor) as it is greater than the number of weeks worked ( $\$3,600 \div 14 = \$257$ );
4. If your basic benefit rate is 55%, then you could receive \$141 per week in benefits (55% of \$257).

### **Self-employed fishers**

The amount of your weekly benefit payment will depend on your earnings in the last 31 weeks (qualifying period) and will be calculated as follows.

1. We look at the total fishing earnings you have been paid in the last 31 weeks ending with your last day of work.
2. We determine the unemployment rate in your area and the minimum divisor that applies at that unemployment rate (see table on page 14).
3. To determine your average weekly insured earnings, we divide your total fishing earnings by the divisor.
4. We then multiply the result by 55% (or the benefit rate that applies to you) to obtain your weekly benefit. The maximum amount is \$413 per week.

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### Example A

1. In the last 31 weeks (qualifying period) you earned \$8,000 in fishing income.
2. You live in an area where the unemployment rate is 11.5 % so the minimum divisor is 16.
3. To determine your average weekly earnings, we divide your total fishing earnings by the divisor (\$8,000 divided by 16 = \$500).
4. If your basic benefit rate is 55%, then you could receive \$275 per week in benefits (55% of \$500).

If you have a combination of self-employed fishing earnings and earnings from other employment **you must be able to establish a claim based on the fishing earnings only**, then the earnings from other employment are taken into consideration:

1. We divide the total self-employed fishing earnings in the last 31 weeks by the divisor number.
2. We divide the total non-fishing earnings in the last 26 weeks by the divisor number.
3. We add fishing and non-fishing earnings to a \$750 weekly maximum.
4. We multiply the result by 55% (or the benefit rate that applies to you) to obtain your weekly benefit. The maximum is \$413 per week.



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### Example B

1. The minimum divisor in your area is 16.
2. You made \$6,300 in self-employed fishing earnings in the last 31 weeks (divided by 16 = \$393.75).
3. You made \$2,400 in non-fishing earnings in the last 26 weeks (divided by 16 = \$150.00).
4. Add the fishing and non-fishing earnings (\$750 weekly maximum)  $\$393.75 + \$150 = \$543.75$ .
5. Multiply the result by 55% (or the benefit rate that applies to you)  $\$543.75 \times 55\% = \$299$  weekly benefit.

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### Divisor table

Unemployment rate in your region	Minimum divisor
0% to 6%	22
6.1% to 7%	21
7.1% to 8%	20
8.1% to 9%	19
9.1% to 10%	18
10.1% to 11%	17
11.1% to 12%	16
12.1% to 13%	15
13.1% and over	14

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## When do benefits start?

There is a two-week waiting period before benefits are payable with the exception of the following.

- Only one waiting period need be served if parental benefits are being shared. For example, if a two-week waiting period has already been served for maternity benefits, then no further waiting period need be served by either parent if either one of them is taking parental benefits. A waiting period may have to be served if, after parental leave is finished, the parent who did not serve a waiting period then takes regular EI benefits.
- If you reopen a claim for benefits in which you have already served the two-week waiting period then you do not serve the waiting period again.
- If you receive group insurance payments, you can serve the waiting period for EI during the last two weeks that these benefits are being paid.
- If you get paid leave for sick time, you may not have to serve a waiting period at the end of your paid leave before your EI benefits can start.

If you have provided us with all the information and documents we require and if you qualify for benefits, your first payment should be deposited into your bank account or sent to you, usually within 28 days from the date we received your application.

We will send you a notice with your last payment saying that you have received all the maternity, parental or sickness benefits to which you are entitled. If you don't have a job to go back to, you may be able to receive regular EI benefits without a waiting period. Please see our booklet, *Employment Insurance: Regular benefits*, available at your local HRSDC office, for more information.

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### Telephone Access Code (TAC)

Your Telephone Access Code (TAC) is printed in the red shaded area at the bottom of the first statement mailed to you after you file a claim. You will need your TAC and your Social Insurance Number (SIN) to make a telephone enquiry about your claim. The TAC is your electronic signature. It must be kept safe and should be stored separate from your SIN. Do not let others have it because they could get information or take action on your Employment Insurance (EI) claim without you knowing, but for which you will be held responsible.

Don't forget, if you need to call us, have your TAC and SIN handy.

### Sources of income

Some income will affect your claim for EI benefits. Any money you receive from the following sources will be subtracted, dollar for dollar, from your maternity, parental (see **Exception** on page 16) and sickness benefits:

- any income including wages or commissions from employment;
- any payments in compensation for an accident or work-related illness, such as workers' compensation for lost wages;
- income from group insurance for sickness or loss of income;
- some accident compensation for loss of wages; and
- retirement income from an employment pension, military or police pension, Canada or Quebec Pension Plan or provincial plan based on employment.

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**Exception for parental benefits only.** You can earn \$50 or 25% of your weekly benefits – whichever is the higher. Any monies earned above that amount will be deducted dollar for dollar from your benefits.

Money received from the following sources, however will not affect your EI benefits:

- disability pensions;
- workers' compensation payments from a permanent settlement;
- supplemental insurance benefits under a private plan approved by Human Resources and Skills Development Canada for sickness benefits;
- supplemental payments to maternity or parental benefits provided by employers (as long as the combined income of the benefit and supplement do not exceed 100% of your normal weekly salary);
- your private sickness or disability wage-loss insurance; and
- retroactive raises in your wages or salary.

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## Section IV

### **Maternity, parental and sickness benefits when you are out of the country**

You are able to collect maternity and parental benefits while you are out of Canada. Sickness benefits may also be paid while you are outside Canada in limited circumstances (you are leaving Canada to undergo medical treatment not readily available in immediately available in Canada). You must advise your local HRSDC office if you go out of Canada. Please see our pamphlet *Employment Insurance: Outside Canada*.

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## Section V

### **Repayment of benefits at income tax time (clawback)**

Starting with taxation year 2000 if you received maternity, parental or sickness benefits you will no longer have to repay these benefits. This will ensure that parents who stay home with their newborn/newly adopted children and workers who are too sick to work are not penalized.

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## Section VI

### Protecting Employment Insurance – with your help

HRSDC wants to protect the EI fund from misuse. With your help, we can ensure that the EI system is used as it should be – as a temporary support measure when people find themselves out of a job.

To make certain that the EI fund is protected, and to discourage misuse, we work with employers and claimants to ensure accuracy of information. We recognize, however, that mistakes can happen.

### Mistakes can happen

Mistakes can happen when filing your report over the phone or filling out a claimant's report. We have found that some of the most common errors are:

- declaring the net amount instead of the gross amount;
- estimating weekly earnings instead of putting in the actual gross amount earned;
- forgetting to declare all the earnings received;
- writing or entering the wrong number when reporting earnings; and
- adding up the number of hours incorrectly.

Some mistakes can cause a delay in payment, and others could cause an error in the amount of benefits you receive – either higher or lower than your entitlement.

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For example, estimating your earnings can have several effects.

- If you estimated your earnings in any one week and your estimate was **higher** than what you actually received, you may not get all the benefits you should. Let us know. We'll adjust your file and ensure that you receive all the benefits to which you are entitled.
- If you estimated your earnings in any one week and your estimate was **lower** than what you actually earned, you may receive more benefits than you are entitled to (an overpayment). Let us know. The overpayment will have to be paid back, but we'll ensure that the repayment causes no undue hardship. As well, we can adjust your file to reflect your true status.

**Penalties on overpayments may be required, but not if you let us know as soon as possible. If we haven't started an investigation, we can set aside any penalty. Don't let a simple mistake get out of hand – tell us about it as soon as possible.**

## **Misusing the EI fund**

Anybody who knowingly tries to obtain more benefits than he or she is entitled to is taking advantage of the EI system and fellow Canadians. When misuse of the EI fund is discovered, penalties can be imposed not just for current claims but for any future claims. As well, legal prosecution can also occur.

There can be many different cases where a penalty could apply, and the amount of the penalty can become very high. Depending on the circumstances, the maximum penalty can be up to three times the weekly benefit rate for every illegal act or three times the maximum benefit rate.



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As well, higher entrance requirements are imposed for future claims and are based on the violation history.

For repeat violations, entrance requirements double, which means that if you normally required 420 hours, you would need 840 hours.

As of July 1, 2002, interest will be charged on new or existing debt resulting from intentional misrepresentation.

<b>Entrance requirements after penalty/fine</b>	<b>Examples</b>
If the value of the overpayment on which the violation is based is less than \$1,000, you will have to work 25% more than the minimum entrance requirement to qualify for regular benefits.	<b>Example:</b> if you would normally have required a minimum of 420 hours of work, you would need an extra 105 hours. This would bring your minimum entrance requirement to 525 hours of work to qualify.
If the value of the overpayment on which the violation is based is between \$1,000 and \$4,999 the entrance requirement increases by 50%.	<b>Example:</b> if you would normally have required a minimum of 420 hours of work, you would need an extra 210 hours. This would bring your minimum entrance requirement to 630 hours of work to qualify.
If the value of the overpayment on which the violation is based is \$5,000 or more, the entrance requirement increases by 75%.	<b>Example:</b> if you would normally have required a minimum of 420 hours of work, you would need an extra 315 hours. This would bring your minimum entrance requirement to 735 hours of work to qualify.

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## Section VII

### Responsibilities and rights

You have the responsibility to:

- report all work and earnings received while collecting EI;
- follow instructions from HRSDC staff members;
- report any absences from the country, unless told by HRSDC staff member(s) that you don't need to do so; and
- file a claim promptly when you become unemployed.

You have the right to:

- file a claim for EI benefits;
- receive help in filing a claim;
- appeal decisions about your benefits which you feel are unjust;
- see any government record which contains your personal information, under the *Privacy Act*.

### Appeals

Many different circumstances surround EI applications and the rules on maternity, parental and sickness benefits. HRSDC always tries to be fair, but you might not agree with a decision. You may want to talk about this with a HRSDC staff member. This will provide you with an opportunity to offer any new information you may have and will also clarify any questions surrounding the decision(s).

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If you still wish to appeal, you must write to your local HRSDC office stating clearly what decision(s) you disagree with and why you feel the decision(s) is/are incorrect. This must be done within 30 days of receiving the EI decision. Don't forget to include your SIN on any additional information you supply.

For further information on the Appeals process, contact your local HRSDC office or see our brochure entitled ***Employment Insurance: Appealing a Decision***, available from any HRSDC office.



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## Notes

