



HOUSE OF COMMONS
CANADA

**INTERIM REPORT ON THE MATERNITY AND PARENTAL
BENEFITS UNDER EMPLOYMENT INSURANCE: THE
EXCLUSION OF SELF-EMPLOYED WORKERS**

**Report of the Standing Committee on
the Status of Women**

**Susan Kadis, M.P.
Chair**

November 2005



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THE STANDING COMMITTEE ON THE STATUS OF WOMEN

has the honour to present its

FIFTH REPORT

Pursuant to Standing Order 108(2), your committee reviewed parental benefits for self-employed workers. Your committee heard evidence on this matter, the result of which is contained in this report.

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INTERIM REPORT ON MATERNITY AND PARENTAL BENEFITS UNDER EMPLOYMENT INSURANCE: THE EXCLUSION OF SELF-EMPLOYED WORKERS

CURRENT CONTEXT

Employment Insurance (EI) is a federal program, administered through Human Resources and Skills Development Canada (HRSDC). The *Employment Insurance Act* identifies two benefits programs – regular benefits for people who have lost their job and cannot find work, and special benefits which provide temporary income replacement for Canadians who experience loss of employment when they become new parents (maternity and parental benefits), when they are sick (sickness benefits) or when they must care for a family member who is seriously ill with a significant risk of death (compassionate care benefits). Maternity and parental benefits under Employment Insurance are available in order to allow a claimant to remain at home to care for newborn or adopted children. Combined, maternity and parental benefits are payable for a maximum of 50 weeks.

While the extension of the parental benefit to 35 weeks from 10 weeks in 2001 received widespread approval, critics of the maternity and parental benefits program point to the low level of maternity and parental benefits and the limited scope of coverage for these benefits. In the roundtable discussions, with equality-seeking organizations and women’s groups, organized by this committee in the fall of 2004, many groups identified parental benefits as a priority area for action by the Committee.¹

The purpose of maternity and parental benefits is to replace, in part, employment income. A Supreme Court decision which was handed down in the period during which this committee was studying the issue of maternity and parental benefits notes that “the social nature of unemployment insurance requires that Parliament be able to adapt the plan to the new realities of the workplace.”² Witnesses who have come to this committee have given compelling evidence that the maternity and parental benefits under Employment Insurance currently have not adapted to the new realities of the workplace.

¹ The issue of parental benefits was identified by the following groups: Fédération des femmes du Québec, National Association of Women and the Law, Association féminine d’éducation et d’action sociale (Afeas), Women Entrepreneurs of Canada, and the Coalition of Women in Science, Engineering, Trades and Technology.

² Reference re *Employment Insurance Act* (Can.), ss. 22 and 23, SCC 2005 SCC 56.

This committee set out to determine whether to extend maternity and parental benefits under the current Employment Insurance program to self-employed parents. The Committee also sought clarification about the measures which would be required in such a maternity and parental benefit program to respect the particular needs of self-employed workers. The Committee members shared a number of principles and assumptions which guided them in their study. They viewed the question of expanding parental benefits to self-employed workers as a question of women's equality; as an investment in the well-being of families and in children; and as an important question to help women and men balance their work and family life in a changing labour force.

WHAT THE COMMITTEE HEARD

The Committee held eight meetings on this question. Unfortunately, the Committee was unable to hear from all of the witnesses it wished to consult. It did not hear, for example, from representatives from each province and territory. It is for this reason that the Committee is submitting an interim, and not final, report. During the course of its study, the Committee canvassed groups which represent the broad diversity of the self-employed in Canada. The Committee heard the perspective of low-income self-employed workers, such as cleaners and home child-care providers. The Committee also heard the perspectives of self-employed workers in higher-income professional groups, such as lawyers. It spoke to women entrepreneurs, and heard from experts who have studied the public policy challenges arising from the changing workforce and from the Department of Human Resources and Skills Development Canada. These meetings allowed the Committee to conclude that self-employed workers are not a monolithic group and that their needs are varied and complex.

The Committee also heard that the majority of self-employed women are low-income earners. Family child-care providers are a case in point. According to the testimony from the Child Care Human Resources Sector Council, over half of the more than 300,000 people working in child care are self-employed with an average annual income of \$15,600 before business deductions. In addition, the Committee was presented with the following examples of self-employed workers who use the services of the Workers' Action Centre in Toronto:

There's Maria, a night cleaner for a large department store in Toronto, who earns less than \$5 an hour; a group of newspaper carriers ... who also earn less than \$5 an hour and who deliver a major daily in Toronto; and Fatima, a salesperson who sells credit cards for major banks, who at times has earned less than \$1 an hour.³

³ Standing Committee on the Status of Women, Evidence, Ms. Juana Berinstein, 14 November 2005, 1530.

The Committee heard about the challenges self-employed workers face with respect to their work-life balance. Describing the balancing act of a new baby and the need to work, witnesses talked about relying on family members to help with care-giving, about resuming child care work as soon as possible, and about the pressure to continue working.

As a partner in a law firm, I had a caesarean. The first month, nobody bothered me. After that, for the remaining three months when I stayed home, I called work pretty much every day. That was my balancing. I went in once a week, sometimes twice a week. I suspect that's what's going on, that you never really have a break. When you are in charge of a business and you have clients, you can't really take that time off.⁴

OUTSTANDING QUESTIONS FOR THE COMMITTEE

In the course of its study, members of the Committee became aware of the complex issues faced by both self-employed workers and contingent workers.⁵ The Committee is mindful that it has left many questions unanswered. For example, while the Committee favoured the Quebec model for expanding maternity and parental benefits to self-employed workers, it did not have the chance to explore whether special benefit coverage should be extended to self-employed workers under the *Employment Insurance Act* or whether it would be better for the provinces to opt out of EI's special benefit coverage and develop their own coverage, as Quebec is doing.

Committee members did not have time to thoroughly explore the relative merits of mandatory versus voluntary contribution to Employment Insurance for self-employed workers, although it heard testimony supporting both positions. For example, the Committee heard that if there were a choice between voluntary and mandatory participation in the maternity and parental benefits program for self-employed women, women would choose not to participate because they would feel they could not afford it.⁶ The Committee also heard that some self-employed people turn to self-employment for the freedom it provides them from participating in programs such as Employment Insurance. Other witnesses noted that an insurance program like Employment Insurance works on the notion of pooled risk, and thus would need to be mandatory to be viable.

⁴ Committee Evidence, Ms. Soma Ray-Ellis, 9 June 2005, 1600.

⁵ Contingent workers include those who work part-time, in seasonal work, who have a weak attachment to the labour force, or who work on contract.

⁶ Committee Evidence, Ms. Jamie Kass, 24 October 2005, 1600.

Some witnesses expressed a preference for a program which would offer different options within the maternity and parental benefits program in which applicants could choose to have more weeks at less money or more money for fewer weeks.⁷ This need for flexibility is supported by studies conducted by Human Resources and Skills Development Canada, which noted that most self-employed workers could only take a period of less than three months off for the birth of a child. While the Committee flags this observation, it does not feel it has enough information at this time to propose concrete suggestions to address the need for flexibility within the EI maternity and parental benefits program.

The Committee heard testimony calling for a higher income replacement rate and raising the maximum insurable earnings level from the current ceiling of \$39 000. In the new Quebec model, the income replacement rate will be between 70% and 75% for the first weeks of leave, followed by a period at a lower rate (see Appendix B). The Committee heard that the current income replacement rate of 55% in the Employment Insurance program is inadequate for families⁸ with a particularly negative impact on low-income workers. The Committee heard that the maximum insurable amount of \$39 000 has remained unchanged for over a decade. In Quebec, the maximum insurable earnings will be set at \$57,000. This will provide for increased benefits. The Committee heard that this increase is also expected to make it more viable for fathers to participate in parental leave:

This is now an economic choice. In a couple, the woman is most often the one that takes the parental leave since she earns less money. With higher insurable earnings, it will be interesting to observe how many men choose to opt in.⁹

While the Committee flags the issues of the replacement rate and the maximum insurable earnings level, it does not have a detailed proposal at this time to address these issues.

Finally, the Committee did not turn its attention to whether the full range of special benefits under the Employment Insurance Program, such as sickness benefits and compassionate care benefits, should be made available to self-employed workers.

These are among the questions the Committee will want to pursue in its final report on this subject.

⁷ Committee Evidence, Ms. Juana Berinstein, 14 November 2005, 1650.

⁸ Committee Evidence, Ms. Marcelle Marion, 16 November 2005, 1545.

⁹ Committee Evidence, Ms. Jennifer Beeman, 31 May 2005, 1550.

SCOPE OF COVERAGE OF EMPLOYMENT INSURANCE MATERNITY BENEFITS

How much longer do we need to keep looking at these statistics to say the labour market realities are changing and there are more self-employed women, not necessarily because they want to be, but because they have to be? That reality needs to be addressed.¹⁰

In the modern workplace, many Canadians work in part-time or seasonal work. Some do so voluntarily. For many, it is not a choice. In the modern workplace, many Canadians strike out as private entrepreneurs. Some do so because they want more challenge; they want to do more meaningful work. They are drawn by the ability to do their own thing, to create something meaningful, to run a business as they envision it, and to do work as they want to.¹¹ Others are forced to call themselves entrepreneurs by employers who wish to pay lower wages or to avoid following labour standards. For these workers self-employment has nothing to do with entrepreneurship, but is rather a last resort, a job taken under less than favourable terms because often there are no other options.¹² All of these workers have one thing in common – new parenthood brings with it difficult decisions about how long they can afford to take time off without the benefit of an income replacement program.

Due to the nature of their work, some employees do not have the number of work hours necessary to qualify for maternity and parental benefits. Other workers, such as self-employed workers¹³ are not covered under the *Employment Insurance Act* and therefore never have access to these benefits.

Several equality-seeking organizations and women's organizations have expressed concern about EI's treatment of self-employed workers. They note that denying these workers access to Employment Insurance special benefits (i.e., sickness, maternity, parental and compassionate care benefits) results in a significant component of the Canadian workforce which is unable to access these benefits. Witnesses who appeared before this Committee noted that many contingent workers combine self-employed work and employed work. Thus, while these workers pay into the Employment Insurance system in their paid employment, only part of their income is insured.

¹⁰ FEWO, Hon. Sarmite Bulte, 7 June 2005, 1635.

¹¹ Committee Evidence, Dr. Karen Hughes, 14 June 2005, 1605.

¹² Committee Evidence, Ms. Juana Berinstein, 14 November 2005, 1535.

¹³ With the exception of self-employed fishers.

The Prime Minister's Task Force on Women Entrepreneurs recommended that the federal government extend maternity leave benefits to self-employed women. The question of extending Employment Insurance coverage to self-employed workers was also the subject of a recommendation from the Standing Committee on Human Resources Development and the Status of Persons with Disabilities in 2001¹⁴ and again in 2005.¹⁵ These reports recommended that "the Government consider developing a framework for extending Employment Insurance coverage, both in terms of regular and special benefits, to self-employed workers."

In its 2001 response, the government invited further study on issues such as mandatory versus voluntary coverage for maternity and parental benefits, international experience and public and private sector models.¹⁶ The government response in 2005 went further, noting that "the introduction of Quebec's (parental insurance) plan will provide important information for all governments concerning the practical and policy considerations associated with extending this type of coverage to the self-employed" and that "recent trends suggest the self-employed are more interested than in the past in paying for Employment Insurance maternity and parental benefits coverage."The government response goes on to say:

it is important that the EI program continue to adapt to changes in the composition and needs of Canada's workforce – including the needs of self-employed workers. For that reason, policy development priorities of HRSDC include gaining a further understanding of the needs of the self-employed – and how best to meet these needs, particularly in relation to special benefits. This knowledge will be important as we consider the potential for extending EI coverage to the self-employed.¹⁷

The Committee now calls on the government to develop concrete policy recommendations to extend Employment Insurance to self-employed workers.

¹⁴ *Beyond Bill C-2: A Review of Other Proposals to Reform Employment Insurance*. Report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities. May 2001.

¹⁵ Canada, *Restoring Financial Governance and Accessibility in the Employment Insurance Program*, Report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, February 2005, Recommendation 22.

¹⁶ Canada, Government Response to the Third Report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities, October 2001.

¹⁷ Canada, Government Response to the Second and Third reports of the Standing Committee on Human Resources, Skills Development and the Status of Persons with Disabilities "Restoring Financial Governance and Accessibility in the Employment Insurance Program," accessed on-line at <http://www.parl.gc.ca/committee/CommitteePublication.aspx?COM=8982&Lang=1&Source=EmploymentInsured=116970>, 26 May 2005.

EXPANDING THE EMPLOYMENT INSURANCE MATERNITY AND PARENTAL BENEFITS TO SELF-EMPLOYED WORKERS

The Committee did not have the opportunity to explore the full range of issues confronting self-employed workers and other contingent workers. It did hear compelling evidence, however, that by failing to provide Employment Insurance maternity and parental benefits to self-employed workers, the Employment Insurance program was depriving a considerable segment of the population of the potential to benefit from the program. The Committee believes that maternity and parental benefits are not only economic, but also social in nature. According to a departmental official of HRSDC:

Obviously the policy rationale for these benefits is both social and economic. It's part of the government's commitment to support parents during the first year of a child's life and a recognition that the support is very crucial in terms of the child's future development. It also increases choices, reduces work-life stress, and helps persons maintain a labour force attachment, making for an easier integration back into jobs after having children.¹⁸

The Committee feels it is unjust that many contingent and self-employed workers in Canada are deprived of this valuable support during the first year of a child's life. The Committee regrets that it did not have the opportunity to explore the mechanics of a program which could expand benefits to self-employed workers; however, the majority of witnesses who appeared before the Committee urged it to consider an expansion of the maternity and parental benefits model which Quebec will initiate in January 2006 (see Appendices A and B) to the rest of the country.

THE PROPOSED QUEBEC MODEL EMPLOYMENT INSURANCE RECEIVES MUCH SUPPORT

In 2001, the Quebec National Assembly passed an *Act respecting parental insurance*. The implementation of this program required that Quebec acquire control of its share of funds from the federal Employment Insurance program — a requirement which was met in March 2005 when the governments of Canada and Quebec signed a final agreement on Quebec's parental insurance plan. Under this agreement, the Government of Canada reduces Employment Insurance premiums of workers and employers in Quebec so that the Government of Quebec can collect premiums for its own program. Quebec's *Act respecting parental insurance* outlined a number of significant changes to the provision of maternity and parental benefits in that province, including a change to the eligibility criteria so benefits would be more accessible to part-time or self-employed parents, an enhanced level of benefits and a new paternity benefit offered exclusively to new fathers. The new

¹⁸ Committee Evidence, Mr. Bill James, 7 June 2005, 1535.

Quebec program will come into force for all children born on or after 1 January 2006.

The Committee would have liked to hear about both the economic benefits and the financial implications involved with moving toward a Quebec model of maternity and parental benefits. The Committee also recognizes that the extension of maternity and parental benefits to self-employed workers would benefit the self-employed, their families, and their businesses as well as the Canadian economy as a whole. It would provide their children with a good start. Dr. Hughes identified the benefits of such an expansion as follows:

First, it will bring policy in line with current labour market realities and ensure that workers are treated more fairly than is currently the case. Second, it will contribute to the health of the small business sector by supporting those who are building businesses while also raising young families. And third, it should contribute to the improved work-life balance, which is a key issue that's facing many industrialized nations, including Canada.¹⁹

Human Resources and Skills Development Canada told the Committee that it had the technical ability to “successfully manage” the question of determining a premium rate for the self-employed.²⁰ The Committee felt that a proper cost-benefit analysis would be helpful in considering the viability of expanding Employment Insurance maternity and parental benefits to self-employed workers. As a result, the Committee recommends:

RECOMMENDATION 1

That the government develop a framework for extending maternity and parental benefits to self-employed workers under the EI program and examine other program models which could provide maternity and parental benefits to self-employed workers. The Committee requests that these models include:

- (a) conducting a cost-benefit analysis of applying the features of Quebec maternity and parental benefits program throughout Canada; and**
- (b) developing options for financing such a system;**
- (c) exploring options to increase the benefit rate for maternity and parental benefits;**

¹⁹ Committee Evidence, Dr. Karen Hughes, 14 June 2005, 1530.

²⁰ Committee Evidence, Mr. Bill James, 7 June 2005, 1630.

In regards to the Employment Insurance program specifically, the Committee further requests that the government provide it with information on

(d) the costs and benefits of increasing the maximum insurable earnings level from the current level of \$39,000 and

(e) options to introduce greater flexibility in maternity and parental benefits under Employment Insurance.

As it considers these questions, the Committee urges HRSDC to take into consideration the diversity of self-employed workers, and to be mindful of the particular needs of low-income self-employed workers, as well as their limited ability to pay large premiums. It also reminds HRSDC that many contingent workers combine self-employment with employment, and thus urges the Department to take this modern-day labour force reality into consideration in its cost-benefit analysis.

QUALIFYING HOURS

Human Resources and Skills Development Canada told the Committee that

in terms of regular benefits, the unemployment rate is another important consideration in terms of EI's responsiveness. For regular benefits, access is very much enhanced and durations are longer where the unemployment rate is high and vice versa in areas where it takes less time to find employment, but with as little as eight hours of work per week, someone can qualify for regular benefits.²¹

Eligibility for the maternity and parental benefits under the Employment Insurance program requires 600 insurable hours in the previous 52 weeks or since the applicant's last claim, even in regions where fewer than 600 hours are required to qualify for regular benefits. In other words, although the Employment Insurance regular benefit system is responsive to local labour market realities, the special benefits under Employment Insurance are not. This unduly penalizes those who live in areas of high unemployment. The Committee wishes to make Employment Insurance special benefits, including maternity and parental benefits, available to more workers. As a result, the Committee strongly recommends:

²¹ Committee Evidence, Mr. Bill James, 7 June 2005, 1640.

RECOMMENDATION 2

That the number of hours required to be eligible for Employment Insurance special benefits be the shorter of:

- **the 600 hours currently required to be eligible or**
- **the insurable hours required in the applicant's region to qualify for regular Employment Insurance benefits.**

UNPAID WAITING PERIOD

Witnesses told the Committee that the two-week waiting period for maternity and parental benefits was a hardship for workers, particularly low-income workers.

The two-week wait period should be removed in light of the fact that low wage workers do not have savings to rely on and that no one, especially women on maternity leave, should be expected to go two weeks without any income.²²

The Committee heard from the department of Human Resources and Skills Development Canada that the two-week waiting period was due to the co-insurance nature of the Employment Insurance program. The Committee did not have the opportunity to hear the perspective of other funders of the Employment Insurance program, such as employers, on this question. Members of the Committee were of the opinion, however, that maternity benefits are not the same as regular Employment Insurance claims, where one would assume there would be elements of co-insurance and sharing of a risk. As a result, the Committee recommends:

RECOMMENDATION 3

That HRSDC remove the two-week waiting period at the beginning of the benefit period for the receipt of maternity and parental benefits, thus making applicants eligible for benefits during the entire 52 week period covered by Employment Insurance.

CONCLUSION

The new realities of the labour force create new challenges for programs such as the maternity and parental benefits provisions of the Employment Insurance

²² Committee Evidence, Ms. Juana Berinstein, 14 November 2005, 1535.

program. The Committee has heard that the needs of self-employed are varied and need to be considered in the wider context of the needs of contingent workers.

The Committee feels that the new maternity and parental benefit program being introduced in Quebec creates an exciting model to be explored at the federal level. A witness told this committee that “we need to be really creative about encouraging people to participate in the workforce at the same time they’re having children.”²³ The Committee encourages the government to show creative leadership in addressing some of the gaps which currently prevent people from fully benefiting from the EI maternity and parental benefits, in moving forward on a model to adapt the maternity and parental benefits to the changing workforce, and in recognizing the importance of offering a good start to all children.

²³ Committee Evidence, Ms. Diana Carter, 24 October 2005, 1625.

LIST OF RECOMMENDATIONS

RECOMMENDATION 1

That the government develop a framework for extending maternity and parental benefits to self-employed workers under the EI program and examine other program models which could provide maternity and parental benefits to self-employed workers. The Committee requests that these models include:

- (a) conducting a cost-benefit analysis of applying the features of Quebec maternity and parental benefits program throughout Canada; and**
- (b) developing options for financing such a system;**
- (c) exploring options to increase the benefit rate for maternity and parental benefits;**

In regards to the Employment Insurance program specifically, the Committee further requests that the government provide it with information on

- (d) the costs and benefits of increasing the maximum insurable earnings level from the current level of \$39,000 and**
- (e) options to introduce greater flexibility in maternity and parental benefits under Employment Insurance.**

RECOMMENDATION 2

That the number of hours required to be eligible for Employment Insurance special benefits be the shorter of:

- the 600 hours currently required to be eligible or**
- the insurable hours required in the applicant's region to qualify for regular Employment Insurance benefits.**

RECOMMENDATION 3

That HRSDC remove the two-week waiting period at the beginning of the benefit period for the receipt of maternity and parental benefits, thus making applicants eligible for benefits during the entire 52 week period covered by Employment Insurance.

APPENDIX A THE FEDERAL MATERNITY BENEFIT PLAN (EMPLOYMENT INSURANCE PLAN) AND THE NEW QUEBEC PARENTAL INSURANCE PLAN

Comparative Tables¹

Plan descriptions

Eligibility		
	Federal Employment Insurance Plan	Quebec Parental Insurance Plan
Minimum number of hours required	600 hours	None
Minimum earnings	\$4,380 ²	\$2,000
Maximum insurable earnings	\$39,000	\$57,000 ³
Self-employed workers	Not eligible	Eligible

Source: Jennifer Beeman, Fédération des femmes du Québec.

¹ These tables, prepared by Jennifer Beeman of the *Fédération des femmes du Québec*, are based on tables published by the family policy directorate and family programs branch of the Quebec ministry of employment, social solidarity and the family, December 2003.

² The concept of minimum earnings does not exist in the federal plan, which is based on a minimum number of hours required. The figure indicated here corresponds to the minimum wage of \$7.30/hour that was in effect until May 2004.

³ For the Quebec plan, maximum insurable earnings is identical to that of the *Commission de la santé et de la sécurité au travail* (CSST) and the *Société de l'assurance automobile du Québec* (SAAQ). In 2006, the figure will be \$57,000.

APPENDIX B THE FEDERAL MATERNITY BENEFIT PLAN (EMPLOYMENT INSURANCE PLAN) AND THE NEW QUEBEC PARENTAL INSURANCE PLAN

Plan Descriptions

Duration and Level of Benefits						
	Federal Employment Insurance Plan		Quebec Parental Insurance Plan			
	Duration	Income Replacement %	Option A		Option B	
			Duration	Income Replacement %	Duration	Income Replacement %
Waiting period	2 weeks	None	None	N/A	None	N/A
Maternity benefits	15 weeks	55%	18 weeks	70%	15 weeks	75%
Paternity benefits	None	N/A	5 weeks	70%	3 weeks	75%
Parental benefits	35 weeks	55%	32 weeks	First 7 weeks: 70% Next 25 weeks: 55%	25 weeks	75%
Adoption benefits	35 weeks	55%	37 weeks	First 12 weeks: 70% Next 25 weeks: 55%	28 weeks	75%
Low-income families	Supplement of up to 80% of family income		Supplement of up to 80% of family income		Supplement of up to 80% of family income	

Source: Jennifer Beeman, Fédération des femmes du Québec.

APPENDIX C LIST OF WITNESSES

Associations and Individuals	Date	Meeting
Fédération des femmes du Québec Jennifer Beeman, Member	31/05/2005	34
Women's Network Prince Edward Island Michelle Genge Harris, Communications Officer Laurie Ann McCardle, Executive Director		
Department of Human Resources and Skills Development Bill James, Director General, Employment Insurance Policy Myriam Paré, A/Director, Policy Development – Employment Insurance Policy	7/06/2005	36
Women Entrepreneurs of Canada Soma Ray-Ellis, Member	9/06/2005	37
University of Alberta Karen Hughes, Associate Professor, Faculty of Arts	14/06/2005	38
Child Care Human Resources Sector Council Diana Carter, Executive Director Jamie Kass, Board Member, Canadian Union of Postal Workers	24/10/2005	42
Worker's Action Center Juana Berinstein, Policy Advisor	14/11/2005	46
As an Individual Marcelle Marion, Lawyer	16/11/2005	47
Association féminine d'éducation et d'action sociale Diane Brault, President Hélène Cornellier, Coordinator of Action Plan and Communications	23/11/2005	49
Nova Scotia Barristers Society Ronald Macdonald, President Marie Paturel, Equity Officer		
As an Individual Richard Shillington		

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this report within one hundred and twenty (120) days.

A copy of the relevant Minutes of Proceedings of the Standing Committee on the Status of Women (*Meetings Nos. 34, 36, 37, 38, 42, 46, 47, 49 and 50*) is tabled.

Respectfully submitted,

Susan Kadis, M.P.
Chair

BLOC QUÉBÉCOIS DISSENTING OPINION

The self-employed are entitled to employment insurance coverage.

The Bloc Québécois in its turn would like to thank the witnesses who appeared before the Committee to discuss this important issue.

Although self-employed workers now form 15.3% of the general workforce, they still have no access to the employment insurance system. Parliamentarians were sufficiently concerned about this state of affairs for the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities to recommend that the self-employed be made eligible for employment insurance coverage (recommendation 22 of the report entitled *Restoring Financial Governance and Accessibility in the Employment Insurance Program*, February 2005).

The Bloc Québécois considers that allowing the self-employed access to the system's special benefits without allowing them access to regular benefits is inconsistent, and is therefore calling for full access to the system's coverage for self-employed workers.

The Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities also recommended eliminating the waiting period and reducing the qualifying threshold to 360 hours in all administrative regions. The Bloc Québécois defended this position on the Committee and fully endorsed the Committee's recommendations. Out of consistency and conviction, the Bloc Québécois calls on the Committee to take into account the recommendations of February 2005.

Furthermore, the special benefits (parental leave, maternity leave, compassionate leave) have always in the eyes of the Bloc Québécois and the government of Quebec been an integral part of a complete family policy, which comes within the jurisdiction of Quebec and the provinces.

The Bloc Québécois therefore demands for Quebec the right to opt out where these special benefits (more specifically, parental and maternal leave) are concerned once self-employed workers have access to the system, in order to ensure the protection of Quebec's insurance system for parents.

The administrative agreement with Quebec

Despite the Supreme Court ruling, which was unfavourable to Quebec, the administrative agreement signed by the federal government and the government of Quebec on March 1, 2005, still holds. However, section 6.4 of that agreement stipulates that the parties can terminate the agreement with one year's formal notice (6.4.1), and that the agreement can be modified by the written mutual consent of the parties (6.4.2).

If the federal government wanted to terminate it, the government of Quebec would have no guarantee of funding and Ottawa could use the Supreme Court ruling to extend its employment insurance system to maternity and parental benefits. The government of Quebec and the Bloc Québécois would consider this an intrusion into Quebec's jurisdictions, despite the Supreme Court ruling.

The government of Quebec and the Bloc Québécois fought for 10 years to finally have a system worthy of Quebecers' expectations, and to endorse this report would be to open the door to the possibility of federal intrusion in this area. That is why, before allowing studies that would inevitably lead to federal interference in the jurisdictions of Quebec and the provinces, the Bloc Québécois wants to make sure that Quebec will always retain the right to withdraw with full financial compensation, which it obtained unconditionally upon signing the final agreement last March 1.

Recommendations

The Bloc Québécois recommends that self-employed workers have access to the entire employment insurance system.

The Bloc Québécois recommends that Quebec have the right to opt out where these special benefits (more specifically, parental and maternal leave) are concerned once self-employed workers have access to the system.

The Bloc Québécois recommends that the threshold for eligibility be reduced to 360 hours for all workers—including self-employed workers—regardless of region and that the waiting period for all types of benefits be abolished.¹

¹ In Quebec's case, the benefits from the Quebec parental insurance system are calculated based on the minimum revenue (\$2000) rather than the number of hours, which the Bloc Québécois supports.

MINUTES OF PROCEEDINGS

Thursday, November 24, 2005

(Meeting No. 50)

The Standing Committee on the Status of Women met *in camera* at 11:06 a.m. this day, in Room 112-N, Centre Block, the Chair, Susan Kadis, presiding.

Members of the Committee present: Jean Crowder, Nicole Demers, Christiane Gagnon, Nina Grewal, Susan Kadis, Hon. Anita Neville, Joy Smith and Hon. Paddy Torsney.

Acting Members present: Hon. David A. Anderson for Nancy Karetak-Lindell, Marlene Catterall for Nancy Karetak-Lindell, Yasmin Ratansi for Russ Powers and Lui Temelkovski for Nancy Karetak-Lindell.

In attendance: Library of Parliament: Julie Cool, Analyst; Lydia Scratch, Analyst.

Pursuant to Standing Order 108(2) and the motion adopted by the Committee on May 10, 2005, the Committee resumed its study of Parental benefits for self-employed workers.

The Committee commenced consideration of a draft report.

It was agreed, — That the draft report be adopted as the Fifth Report of the Committee.

It was agreed, — That the Chair present the Fifth Report to the House.

It was agreed, — That, pursuant to Standing Order 109, the Committee request that the Government table a comprehensive response to the report.

It was agreed, — That the Chair, Clerk and analysts be authorized to make such grammatical and editorial changes as may be necessary without changing the substance of the report.

It was agreed, — That the Committee append to its report a dissenting opinion from the Bloc Quebecois provided that it is no more than 2 pages in length and submitted electronically to the Clerk of the Committee, no later than 10:00 a.m., on November 25, 2005.

At 12:12 p.m., the Committee adjourned to the call of the Chair.

Richard Rumas
Clerk of the Committee