

# More time and money to help families raise their kids

Time with our kids is precious, and it can be tough to juggle responsibilities like work and childcare, especially in the first year. Since child care still falls disproportionately to women, thousands of moms have to choose between taking home a pay cheque and taking care of their new child. Today, one in six mothers in Canada's workforce has no access to paid family leave – while adoptive parents are still shut out from getting the same time off as other parents.

## More help for families raising kids in their first year

Nothing is more important to a parent than spending time with their kids. But raising a family isn't cheap, and the bills pile up early on – when parents are being paid less but baby products and child care cost more.

A re-elected Liberal government will make sure new parents receive more help right now by:

- Giving families up to \$1,000 more to help when the costs of raising kids are highest, by increasing the Canada Child Benefit by 15 per cent for kids under the age of one.
- Making sure families get more money right away, by making maternity and parental benefits tax-exempt at source. This means that no federal taxes are taken off from the Employment Insurance cheque when new parents receive it.
- Compared to Andrew Scheer's proposal for a non-refundable tax credit, this will mean that families benefit a year earlier, and they receive

more money when they need it. Unlike the Conservative proposal, what you see is what you get – your tax savings on E.I. as a new parent don't depend on your other income, deductions, or credits.

- For the parent earning about \$45,000 a year at work, this means approximately \$1,800 more to help pay the bills.
- Residents of Quebec will receive a comparable benefit for the portion of federal taxes they pay as part of the *Quebec Parental Insurance Plan*.
- Making paid leave fairer for families, by introducing a 15-week leave for parents who adopt, so that everyone gets the same benefits – whether you have a baby through birth or adoption. This means an extra \$7,000 in help for the average family claiming the new adoptive leave<sup>1</sup>.

Thanks to these changes, a family of two earning \$90,000 today, who are just about to have a child and already qualify for E.I. benefits, can expect about \$2,300 more in tax-free help to make sure their kids get the best possible start in life<sup>2</sup>. These changes will take effect as of July 2020.

## Moving towards a vision for guaranteed paid family leave for everyone

Today, Canada has two main programs that help families with the cost and time of raising a child in the first year of life:

- **Canada Child Benefit:** Introduced by our Liberal government in 2016, the CCB provides thousands of dollars of assistance, tax-free, to more than nine out of ten families in Canada. Thanks to the CCB, 300,000 children have been lifted out of poverty and parents have more money to help pay for things like healthy food, sports programs, and music lessons for their kids.
- **Maternity and Parental Benefits through Employment Insurance<sup>3</sup>:** This program provides up to 55 weeks of job-protected leave and benefits<sup>4</sup>, so that families who are working can afford to take time off to be with their infant. Unlike the CCB, maternity and parental benefits are taxable and only cover those who have worked a sufficient number of hours in order to qualify.

These two programs provide essential help to families when they need it, but we know more needs to be done. Today, for example, the server at the local diner who works hard but doesn't get enough shifts to qualify for paid leave, isn't left with much to fall back on. Those who are self-employed or in precarious employment receive little help at all<sup>5</sup>. As a result, one in six mothers in Canada's workforce does not receive paid family leave despite having worked before their child was born<sup>6</sup>.

As jobs change, all parents need to be able to count on a basic amount of support, whether they are self-employed, work part-time, or multiple jobs. We can also do more to help those who need it most, particularly low- and middle-income new parents, who find it hardest to make ends meet.

A re-elected Liberal government will work to establish **Guaranteed Paid Family Leave** – an ambitious program that will make sure that parents who don't qualify for paid leave through E.I. or who don't get enough, because they're between jobs, earn little, or haven't worked enough hours, will receive a guaranteed income during the first year of their child's life. This means every single Canadian parent will be able to afford to spend the first year at home with their kid, when it matters most.

Launching in 2021, this new program will provide a simpler, more generous, and accessible way for Canadians to get the time and money they need to help raise their kids in the first year. We will integrate E.I. maternity and parental benefits with the CCB, expand them, and ensure the legal protections for leave are not affected by this change.

Over the course of the next year, we will work closely with provinces and territories, stakeholders, employers, labour groups, and experts to design a system that works for families. We will make sure *Guaranteed Family Leave*:

- provides better, more effective coverage;
- addresses the realities of work in the 21st century;
- reflects the diverse needs of modern families; and
- makes Canada a world leader in supporting parents.

As part of this process we will ensure that *Guaranteed Paid Family Leave* is integrated effectively with Quebec's provincial parental benefits system, which the province will continue to run itself.

## Costing

These measures are projected to cost approximately \$800 million in 2020-21 rising to \$1.2 billion in 2023-24. Further details related to costing will be released over the course of the campaign.

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<sup>1</sup>Based on an average weekly claim of \$454 in 2017-18, inflated to 2019-20, for 15 weeks. Source: <https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/monitoring2018/chapter2/special.html>

<sup>2</sup>Does not include any gain as a result of adoptive leave.

<sup>3</sup>Parents in Quebec participate in the provincially run Quebec Parental Insurance Plan.

<sup>4</sup>This assumes both parents take the extra five-week parental sharing benefit. Parents are also able to take an extended leave, at a lower benefit rate, providing up to 84 weeks of support if taken in combination with the sharing benefit.

<sup>5</sup><https://irpp.org/research-studies/parental-benefits-in-canada-which-way-forward/>

<sup>6</sup>Approximately 17% of mothers in paid employment of some kind (including self-employment) did not receive maternity or parental benefits from Employment Insurance and the Quebec Parental Insurance Program in 2017. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/181115/t005a-eng.htm>