



INSIGHTS

DECEMBER 2017
ISSUED QUARTERLY

IN THIS ISSUE...

Parental Leave rules take effect

- Changes effective Dec. 3rd, allowing some parents to spread 12 months of EI benefit over 18 months

Supporting those with dementia during the holiday season

- Consider these tips to make everyone more comfortable

1two3 Renewal

- Increased Prescription-Drug Coverage
- Critical Illness is now included
- Rate change summary

Taxable Benefit Summaries

- Distributed in December

Parental Leave rules take effect...

The Federal government's long-promised changes to parental leave rules, effective December 3rd of this year, allow some new parents to be able to spread 12 months of employment insurance benefits over 18 months after the birth, or adoption of a child. The change in rules automatically gives workers in federally regulated workplaces like banks, transport companies, the public service and telecoms the option of taking the time off. Provincial changes are still needed for the other 92% of Canadian workers to access similar leave. So far, only Ontario has publicly said it will follow suit.

Social Development Minister Jean-Yves Duclos said the changes, first outlined in this year's federal budget, combined with the new child benefit and other changes to the EI system are all designed to give families more flexibility and help the economy as well. But do they?

The measures the Liberals first promised in the election have been problematic for employers and child care advocates, who asked the government to boost the value of parental leave benefits over 12 months and make it easier for workers to qualify. As currently designed, anyone who opts for the longer time frame will receive up to \$326 a week rather than the current of \$543 per week over 12 months.

This begs the question of how many people will benefit, and whether small businesses will be able to adapt?

Under the new provisions, people who opt for the extended parental leave won't see any more money. They can choose 12 months of EI benefits at 55% of their average weekly earnings or 18 months at 33%, meaning there isn't any more money for those who choose the longer leave. I would think that very few families can afford to live on 33% of their income, and that percentage is capped at \$362 per



week. Perhaps only wealthy individuals will be able to afford this. So how much choice is there if you can't avail yourself of the system?

Small businesses will be most affected. It's been hard enough to deal with the current rules. When is the individual returning to work? Do we replace workers who are on maternity leave? Training costs for replacements and those returning are some of the current issues.

To qualify, parents must accumulate 600 hours of insurable employment in the 12 months before taking the leave. This requirement will remain unchanged, even though parents who have low-paying jobs, work part-time or do freelance work, often already do not accumulate the necessary amount of hours to meet this criterion, and will thus remain ineligible.

On the plus side, the policies appear to be a positive step by offering parents job security beyond the current maximum of 50 weeks. The extended parental leave appeals to people because it sounds like they're getting something they weren't getting before, but other than a longer leave they really aren't. The change to the length of the leave is costless to the government, but not to businesses.

The Conservatives and Liberal parties differ in their

...continued on reverse

Visit us on Facebook



The holiday season can be challenging for those affected by dementia and for those supporting them.

Consider these tips to make everyone more comfortable:

- People affected by dementia often find the change in routine during the holidays stressful. Keeping to set meal times and bed times can help.
- Extra noise and busyness can be frightening for people with dementia. Having a dedicated quiet area where the person living with dementia can retreat to may help.
- Too much food can be daunting for someone with difficulties eating, as is often the case for persons with dementia. Avoid overloading their plate and consider finger foods.
- Listening to familiar Christmas music and reminiscing over photos can be particularly enjoyable for those experiencing neurological changes, and can help decrease stress levels.
- It's good to talk to others who are in a similar situation. Find support services for those living with the disease and their caregivers in your area by contacting your local Alzheimer's society.

Source: www.alzheimers.org.uk



1two3 Small Group Program - 2018 Renewal



RWAM is pleased to advise you of the following renewal rates and plan enhancements, effective January 1, 2018.

Increased Prescription Drug coverage - Annual drug maximum will be increasing from \$2,000 to \$2,500 per person.

A \$3,000 Critical Illness (CI) benefit is now included in your plan for employees (eligible dependent children are covered at 50%). A lump sum payment is payable to the insured in the event they are diagnosed with one of the 18 critical illnesses included in the policy.

Rate Changes Summary

Ontario Mandatory Benefits

Life Insurance, Dependent Life, AD&D, Extended Health Care, Out-of-Canada & Critical Illness

All Eligible Employees

Single Coverage	\$ 91.45 /month
Family Coverage	\$189.20 /month
Exempt Coverage	\$ 22.10 /month

Ontario Optional Benefits

Dental

All Eligible Employees

Single Coverage	\$ 52.85 /month
Family Coverage	\$130.15 /month

Long Term Disability

Some occupations are not eligible for LTD coverage due to the nature of the risk. LTD benefits are available only for groups with 2 or more lives.

Employee Group Taxable Benefit Premium Summary for T4 Purposes

A summary has been sent to each group outlining the total annual billed and paid premiums for Life, Dependent Life, Accidental Death and Dismemberment (AD&D) and Critical Illness (CI) benefits (if applicable to your group plan).

The employee's individual total includes any applicable taxes.

According to the Income Tax Act, any portion of this total that is employer paid is considered a taxable benefit and should be reflected as such on each employee's T4.

Parental Leave ... continued from reverse

promises. The Conservatives will allow them to supplement benefits with self-employment income up to \$50,800 annually – the maximum weekly EI threshold. The Liberal party's promise that parents will be allowed to go back to work during their parental leave for a bit and then finish the remainder of the 18 months at a later date. More flexible leave policies might lead to happier employees and they could facilitate a smoother transition back to work. However, it's important to note that research from countries with longer maternity leave have shown women become more separated from the workforce, have more difficulty reintegrating and are more likely to become part-time workers instead. The longer term concern may be whether it affects women's long-term promotion opportunities? We already know that it has an impact on their lifetime income, and likely contributes to the income disparity between men and women.

In the end, the government changes don't add child care spaces or make child care more affordable. I like the idea of men and women sharing in the raising of their children through maternity and paternity leaves. But, given that very few men are taking advantage of the current EI program it's doubtful anything will change under the new guidelines.

Sources: CBC News, and the Globe and Mail