

*Pregnancy & Parental Leave  
Income Supplement Program Review*

**Presentation to General Committee**

**February 22, 2010**

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## Agenda

1. Background
2. Research
3. Recommendations
4. Financial Considerations

## Background

- **Seek Council's approval to expand the Corporation's permanent full time Non-Union benefit offerings to include a Pregnancy and Parental Leave Income Supplement Program to 75% of earnings.**
- **The Town does not currently provide this benefit to permanent full time Non-Union staff.**
- **Employees do currently receive 1 week paid Pregnancy or parental leave.**
- **EI covers 55% of the annual maximum pensionable earnings to a maximum amount. In 2010 the maximum was \$23,764.**
  - For senior professionals and managerial employees, the maximum of \$23,764 represents approximately 15% of their annual earnings.

Research  
Comparator Organizations

**Regional Municipalities**

Regional of Durham  
Regional of Halton  
York Region

**Municipalities**

City of Brampton  
Town of Newmarket  
City of Mississauga  
Town of Oakville  
City of Oshawa  
Town of Richmond Hill  
City of Pickering  
City of Toronto  
City of Vaughan

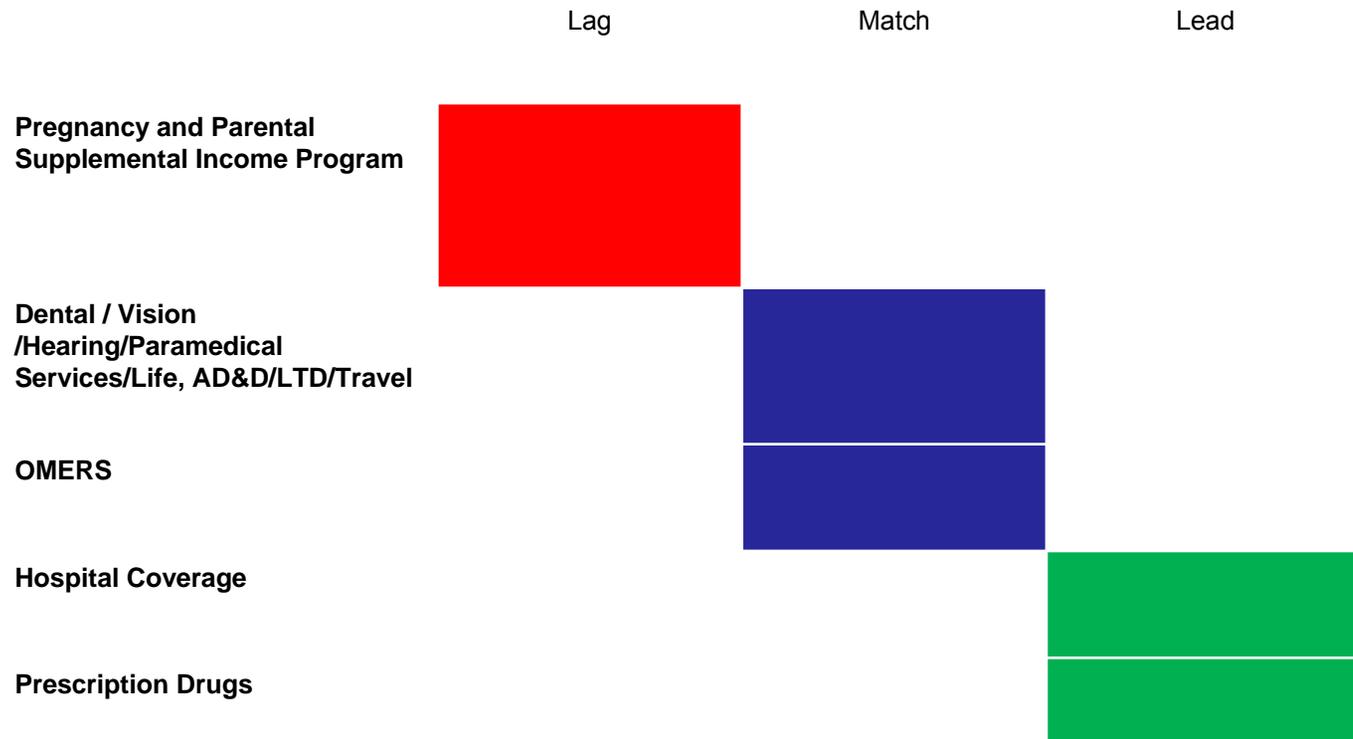
## Research

- **Current offerings with comparator group includes:**
  - 50% of comparable municipal employers provide the benefit
    - o Typically regions and large municipal employers
  - Varied income supplement ranges from 55% to 95% of earnings
  - Varied durations of supplement ranging from 15 to 27 weeks
  - A tired supplement was in place for one comparator offering 95% of earnings for first 6 weeks followed by 55% of earnings for remaining 11 weeks.

### **Most common offering:**

- Top up to 75% of earnings for 27 weeks most commonly reported benefit
  - o First 2 weeks during which EI benefits are withheld
  - o 15 week Pregnancy leave period
  - o 10 week parental leave period
- Other Benefit Comparisons

## Research Market Positioning



## Research Match Market

### Lag Benefits Include:

- Pregnancy and Parental Leave Income Supplement Program
  - 1 week paid parental / Pregnancy leave

### Match Benefits Include:

- 2 times Life Insurance, AD&D
- LTD (taxable income)
- Dental (Preventative, Restorative, Orthodontic)
- Vision Care, Hearing Aids
- Travel Out of Province coverage
- Benefit 100% employer paid
- OMERS Defined Benefit Pension Plan

### Lead Benefits Include:

- Prescription Drugs
- Private Hospitalization Coverage

## Recommendations

- a) Timing**
  - Effective January 1, 2010.
- b) Eligibility**
  - All permanent non union employees.
- c) Duration**
  - 27 weeks of supplemental income which covers:
    - a) 2 week Employment Insurance waiting period,
    - b) 15 weeks Pregnancy and
    - c) 10 weeks parental.
- d) Pregnancy and Parental Leave Income Supplement to 75% of salary**
  - Most commonly reported by comparator group
  - Consistent with other income protection benefits
- e) Return to work provisions**
  - Requiring employees to return to work for a period of no less than 1 year
  - Full repayment required if employee does not return from leave
  - Pro-rated repayment required if employee does not return for 1 full year

Financial Considerations  
 Town Implications  
 Costing Breakdown – Non Union

	#EEs	2 Week Wait	Pregnancy	Parental	Total
2004	6	\$14,768	\$48,213	\$47,789	\$110,770
2005	7	\$16,980	\$62,190	\$48,080	\$127,250
2006	7	\$16,240	\$55,660	\$48,377	\$120,277
2007	7	\$21,260	\$87,707	\$64,892	\$173,859
2008	3	\$ 5,578	\$13,860	\$14,733	\$ 34,171
2009	5	\$11,887	\$40,613	\$32,454	\$ 84,954
					<b>\$651,821</b>

## Financial Considerations

- With an historical average of 6 employees on Pregnancy and Parental Leave per year, the projected annual cost to provide a Supplemental Income Program to eligible employees is \$139,074 based on April 2009 salary information. This estimate is based on an average 2009 non-union salary of \$87,777.

### **Cost implications for 2010 and beyond**

- The cost to provide the Pregnancy and Parental Leave Supplemental Income Program to employees who, on January 1, 2010, were at various stages of pregnancy and/or parental leave will be absorbed within the 2010 operating budget.
- For 2011 and beyond, the costs will be included as part of the budget process.