

## **ECAO Parental Leave Fund Procedures**

During the last round of collective bargaining negotiations, the Parties agreed to create an ECAO Parental Leave fund to ensure employees exercising their parental leave entitlement under the Employment Standards Act (ESA), and who were in receipt of Employment Insurance (EI), would, for the duration of the leave, have health and welfare premium costs paid on their behalf.

It was determined, for legal reasons, the contractor must pay premium costs to the Health and Welfare Fund, and regular contributions to the Pension Fund on the employee's behalf during the duration of their leave. ECAO will reimburse contributing contractors once the required information is provided.

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**Please note, members of local 353 are not covered by the ECAO Parental Leave fund because they have benefit and pension coverage (through TEIBAS).**

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### **How to make contributions?**

Once the employee receives a Record of Employment (ROE) and provides you with proof that they are in receipt of Employment Insurance (EI) parental leave benefits, reach out to the local administrator to advise that you will begin to make contributions to their benefit plan and pension plan. You should receive the contribution amount for these plans from the local administrator.

The employee must provide you with proof they are in receipt of EI parental leave benefits before you make the contribution to their benefit and pension plan. Please let them know that you require this information if they want contributions made on their behalf.

Each local area might have a different process for handling these contributions. It is key that you do not make contributions until you have proof the employee is in receipt of EI parental leave benefits.

### **How often should I receive proof of EI parental leave benefits?**

You could ask the employee to send you proof of EI parental leave benefits on a bi-weekly or monthly basis, prior to making the contributions to their benefit and pension plans throughout the leave.

### **How to get reimbursed by ECAO?**

For reimbursement, please send an invoice to ECAO, attention Lou Stranges: [lstranges@ecao.org](mailto:lstranges@ecao.org)

Documents required:

- Confirmation of payment from the Union or the applicable fund administrator. Please contact the local union administrator to ask for confirmation of payment.
- Proof that the employee was/is in receipt of EI parental leave benefits. The employee should provide this to you before you start making contributions. See last page for a sample report from Service Canada. You need something that says they were off on parental leave.

### **Is the reimbursement taxable?**

Under the reimbursement process, the employer will likely claim a deduction for the contribution made for the employees on their T4 return. It is likely the case that reimbursements received from the ECAO will need to be reported as income to the employer. We recommend you consult a tax advisor for advice specific to your circumstances.

### **If the local only has a RRSP and not a pension plan, are contributions required?**

The Parties agreed that the employer would make contributions to benefit plans (health and welfare) and pension plans only. A RRSP is a retirement savings and investment account, not a pension plan.

### **How long will the employee be off on parental leave?**

This will depend on the employee and their [entitlement to EI parental leave benefits](#). They should be able to access a statement from EI that will outline the duration of their leave. Ideally, the employee has given you notice with a planned duration before they begin their parental leave.

### **How will I know if the employee qualifies for parental leave under the ESA and EI?**

To be covered by ECAO's Parental Leave fund, the employee must be exercising their parental leave entitlement under the ESA and be in receipt of EI for parental leave.

#### ESA: Qualifying for parental leave

A new parent is entitled to parental leave whether they are a full-time, part-time, permanent or term contract employee provided that the employee:

- is employed by an employer that is covered by the ESA, and
- was employed for at least 13 weeks before commencing the parental leave.

The ESA requires the employee to have been employed by the employer for 13 weeks before they may commence a parental leave.

A "parent" includes:

- a birth parent;
- an adoptive parent (whether or not the adoption has been legally finalized); or
- a person who is in a relationship of some permanence with a parent of the child and who plans on treating the child as their own. This includes same-sex couples.

#### EI: Qualifying for Parental Leave benefits

Individuals need to demonstrate that:

- they are a parent caring for their newborn or newly adopted child
- their regular weekly earnings from work have decreased by more than 40% for at least 1 week
- they accumulated 600 insured hours of work in the 52 weeks before the start of their claim or since the start of their last claim, whichever is shorter

Given the nature of construction work, there might be situations wherein an employee advises an employer that they are planning to take parental leave at a later date and is then laid off on the next round of lay offs.

In those situations, if they were employed by the employer for at least 13 weeks, that employer must make contributions to their benefit and pension plan for the duration of parental leave, if the employee meets these conditions:

- Was employed by the employer for at least 13 weeks before the lay off, and
- Is in receipt of EI parental leave benefits.

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**The Employer (current or most recent) should not make contributions until they receive proof that the employee is in receipt of EI parental leave benefits.**

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### **What happens if the employee returns to work for a different employer after their parental leave?**

This will not impact the contributions you made. ECAO will reimburse you for those contributions with proof of payment and proof they were in receipt of EI parental leave benefits.

### **Questions?**

Contact Jodi Travers at [jtravers@ecao.org](mailto:jtravers@ecao.org)

## My Service Canada Account

### Report: My Latest Claim

Employee's Name will be at the top.

#### Did you know...

- if you do not receive email alerts when new important Employment Insurance (EI) claim information is available in your My Service Canada Account, go to [View my claim status and messages](#) and select "Register for Alert Me" from the left-hand menu to register now!
- additional information on your latest claim may be available on the [View my claim status and messages](#) page.
- to prevent any delays, you must complete your report within three weeks of its due date.

We have received new information on your claim but have not yet made a decision. We will make every effort to review this information by January 08, 2023.

<b><u>Start Date of Claim:</u></b>	November 20, 2022
<b><u>Reactivation Week:</u></b>	December 25

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<b><u>Reactivation Week:</u></b>	December 25, 2022
<b><u>Type of Benefit:</u></b>	Regular benefits
<b><u>Total Insurable Earnings:</u></b>	\$25,512
<b><u>Benefit Rate:</u></b>	\$638
<b><u>Federal Tax:</u></b>	\$77
<b><u>Total Insurable Hours:</u></b>	1539
<b><u>Total Weeks of Regular Entitlement:</u></b>	27
<b><u>Weeks of Parental Benefits Paid:</u></b>	5
<b><u>Weeks of Parental Benefits Requested:</u></b>	5
<b><u>Total Weeks Paid:</u></b>	5
<b><u>End Date of Claim:</u></b>	November 18, 2023
<b><u>Last Report</u></b>	<a href="#">December 18,</a>