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MEMORANDUM

TO: Members of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA), House of Commons

FROM: Peter Jon Mitchell, Program Director, Family
Daniel Liegmann, Junior Policy Analyst

DATE: November 4, 2026

SUBJECT: Proposed Reforms to Paid Parental Leave and the EI Family Supplement

WHO WE ARE

Cardus is a non-partisan think tank dedicated to clarifying and strengthening, through research and dialogue, the ways in which society's institutions can work together for the common good. Cardus Family conducts, compiles, and disseminates research on family stability and healthy marriage, and their strengthening impact on civil society.

ISSUE AND BACKGROUND

In September 2026, the HUMA committee agreed to study reforms to employment insurance (EI) parental leave in Canada. Cardus is providing recommendations to improve the program's accessibility.

Eligibility for EI paid parental leave currently requires 600 hours of insurable earnings either over the past year or since the last time the individual received benefits from EI.[1] This differs substantially from Quebec's parental insurance eligibility requirement of having $2,000 in insurable earnings.[2] Alongside EI paid parental leave there is also the EI Family Supplement, which is designed to help low-income families by increasing the percentage of income covered by EI from 55% to 80%.[3] The eligibility cap of household income for the Family Supplement has stayed at $25,921 since its inception in 1997.[4]

RECOMMENDATIONS

Recommendation 1: The Committee should explore options for longer parental leave beyond the current 40 shared weeks to 69 shared weeks to strengthen parent-child attachment.

Recommendation 2: Revise the paid leave eligibility threshold of 600 hours of eligible employment and consider the Quebec Parental Insurance Plan threshold of $2,000 of insurable earnings as an alternative.

Recommendation 3: Increase the EI Family Supplement cap from the current $25,921 limit to reflect inflation and to better serve low-income families.

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[1] Canada, Ministry of Justice, *Employment Insurance Regulations*, (Ottawa, Ministry of Justice, 2026), https://laws-lois.justice.gc.ca/eng/regulations/SOR-96-332/page-16.html#docCont.
[2] Bill 140, *An Act respecting Parental Insurance*, 1st Ses, 36th Leg, 2000 at chap 1 sec 3.
[3] Bill C-12, *Employment Insurance Act*, 2nd Ses, 35th Parliament, 1996 at sec 16.
[4] Canada, Employment and Social Development Canada, *Employment Insurance Monitoring and Assessment Report 2014/2015*, (Ottawa, Employment and Social Development Canada, 2017), https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/monitoring2015/chapter2-benefits.html; Canada, Employment and Social Development Canada, *Employment Insurance Monitoring and Assessment Report for the fiscal year beginning April 1, 2024 and ending March 31, 2025*, (Ottawa Employment and Social Development Canada, 2026), https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/monitoring2025/chapter2.html.

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RATIONALE

1) Longer paid parental leave would better align the program towards child development.

The current EI paid parental leave program serves two purposes: first, to help parents maintain ties to the labour force while caring for a child, and second, to provide an opportunity for the child to bond with their parents. The current parental leave lengths of 40 or 69 shared weeks could be extended to prioritize parent-child attachment.

Secure parent-child attachment is correlated with social competence, empathy and other pro-social behaviours in children. Research shows that parent-child interactions are influenced by the quantity of time spent together.[5] Longer leaves provide more opportunities for healthy attachment. The committee should explore lengthening the parental leave to facilitate parent-child attachment at the beginning of life.

2) The eligibility threshold of 600 hours of insurable earnings for paid parental leave creates accessibility challenges for families with atypical work arrangements.

In 2023, 90 percent of births were covered under Quebec's QPIP, compared to 78 percent under the federal system.[6] An Employment and Social Development report commenting on the difference between new parents in Quebec and new parents in the rest of Canada in receiving parental leave benefits also cited the "lower eligibility requirement" in Quebec as a notable factor explaining the gap.[7]

Parents who work part-time, are in precarious work arrangements, or who are full-time students may not meet the federal eligibility threshold of 600 hours of insurable earnings but would meet the lower threshold set by Quebec's Parental Insurance Plan of $2,000 of insurable earnings. A person making the Quebec minimum wage would only need 121 hours of earnings to meet the Quebec threshold, less than a quarter of the federal threshold. The committee should strongly consider the Quebec model of eligibility to expand the accessibility of the EI paid parental leave program.

3) The Family Supplement's current eligibility cap is outdated and can no longer serve the income range of households it was originally intended to serve.

As noted above, the Family Supplement's current eligibility cap for households is $25,921 and has not been updated since 1997. The acting executive director of insurance for the federal Department of Human Resources at the time stated that the threshold for the Family Supplement was the same as the income threshold at which the Canada Child Tax Benefit began to decrease.[8]

The Canada Child Tax Benefit, in its final fiscal year of existence in 2015-16, began to phase out benefits when household income reached $44,701,[9] while the Family Supplement's cap remained

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[5] Raquel Plotka and Nancy A. Busch-Rossnagel, "The Role of Length of Maternity Leave in Supporting Mother–Child Interactions and Attachment Security among American Mothers and Their Infants," *International Journal of Child Care and Education Policy* 12, no. 1 (2018): 2, https://doi.org/10.1186/s40723-018-0041-6.

[6] G. Garon-Carrier et al. "The Quebec Parental Insurance Plan: a policy example for reducing inequalities, supporting family functioning and healthy child development," *Health Promotion International* 41, no. 4 (2026): 3, https://doi.org/10.1093/heapro/daag093.

[7] Canada, Employment and Social Development Canada, *Employment Insurance Monitoring and Assessment Report for the fiscal year beginning April 1, 2024 and ending March 31, 2025* (Ottawa, Employment and Social Development Canada, 2026), https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/monitoring2025/chapter2.html.

[8] Canada, *House of Commons Standing Committee on Human Resources Development Meeting No. 171, Evidence*, 1st Sess, 35th Parl (January 24, 1996) at 1055.

[9] Canada, Department of Finance Canada, *Report on Federal Tax Expenditures – Concepts, Estimates, and Evaluations 2026* (Ottawa, Department of Finance Canada, 2026), https://www.canada.ca/en/department-finance/services/publications/federal-tax-expenditures/2026/part-9.html.

the same at $25,921, despite the two thresholds originally being the same. This is because the Canada Child Tax Benefit threshold kept up with inflation while the Family Supplement threshold did not. A 2003 non-binding House of Commons motion to index the cap to the cost of living in the next federal budget was adopted but was not acted upon.[10] The government should update the Family Supplement cap to better support lower income families.

CONTACT

We would welcome the opportunity to meet with you and assist with future considerations on this issue. Please do not hesitate to contact us at pmitchell@cardus.ca.

[1010] Canada, *Official Report (Hansard)*, 37th Parl, 2nd Sess, Vol. 138, No. 124 (September 22, 2003) at 1205.