

*Pregnancy & Parental Leave
Income Supplement Program Review*

Presentation to General Committee

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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

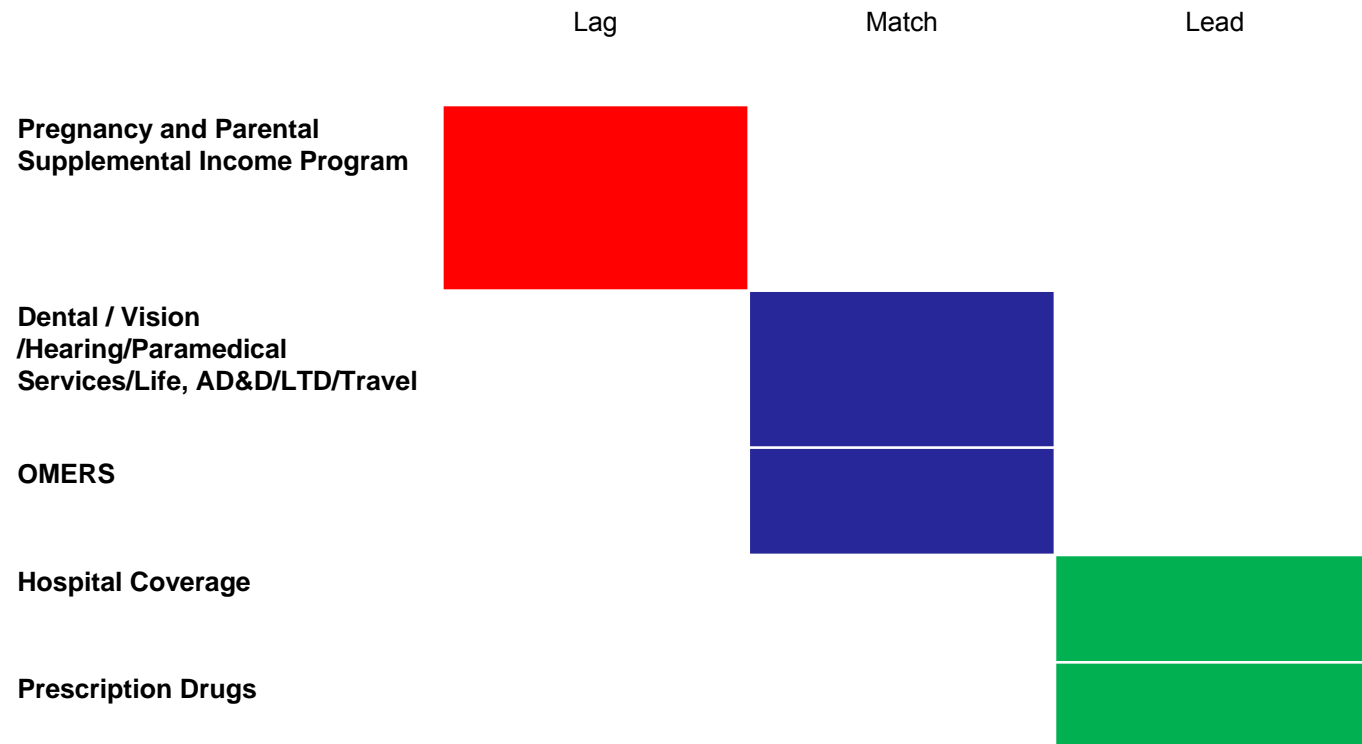
Research

- **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
					\$651,821

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.