



**TOWNSHIP OF EDWARDSBURGH CARDINAL
ACTION ITEM**

Committee: Regular Council

Date: December 9, 2024

Department: Finance

Topic: Pregnancy and Parental Leave Policy

Purpose: To present Council options for the structure of a pregnancy and parental leave policy.

Background: As a result of the market survey conducted by Pesce and Associates during the compensation review, it was advised that the Township adopt a policy for a top-up benefit for employees who are absent from work on pregnancy or parental leave, which aligns with the Townships comparators of the same size and budget as well as neighbouring municipalities.

Staff have reviewed several pregnancy and parental leave policies from other organizations and the following are options based on policies from neighbouring and comparative municipalities:

	Top up amount	Benefits	Pregnancy Leave Length	Parental Leave Length
Option #1	15% of employees' regular pay	Premiums paid by employer	17 weeks	61-63 weeks
	33% of employees' regular pay	Waived/premiums paid by employee	17 weeks	61-63 weeks
Option #2	80% of employees' regular pay less EI benefits	Waived/premiums paid by employee	17 weeks	61-63 weeks

Option #1 gives the employee the choice between two plans. The first gives the employee the option to remain on the benefit plan and the premiums paid by the

employer and they will receive 15% of their regular pay. The second gives the employee the option to waive their benefits or pay the premiums themselves and receive 33% of their regular pay.

Option #2 gives the employee the option to remain on the benefit plan by paying the premium themselves or they have the option to waive their benefits. The top-up will be a guaranteed amount of 80% of the employee's regular pay. The Township will pay the difference between the amount received from employment insurance and the employee's guaranteed salary amount.

The main difference between the two options is that option #1 does not take into consideration the amount that is given to the employee through employment insurance and provides a straight percentage of the employee's pay. This does not guarantee the employee a percentage of their income as employment insurance pays 55% of the employee's pay up to a maximum of \$65,700 (EI YMPE 2025). Option #2 does take into consideration the amount received by employment insurance and guarantees the employee a certain percentage of their regular pay.

The policy will include eligibility criteria to indicate that policy would apply to employees who have at least thirteen (13) weeks' service with the Township and that employees must be permanent full-time employees.

Also included in the policy will be that the employee will not participate in the OMERS pension plan during their leave. Employees will continue to accumulate service for the purpose of determining their rights under an employment contract and the Township shall reinstate the employee to the position that the employee most recently held, if it still exists, or a comparable position, if it does not.

A clause is also included to stipulate in the event the employee terminates their employment prior to the scheduled return or within 6 months of their return date they are obligated to repay the entire value of the top-up portion paid by the Township.

Based on the options presented, the recommendation would be to adopt option #1. This allows flexibility to the employee regarding participation in the benefit plan. It also allows the Township to remain more cost neutral.

Policy Implications: An adoption of a pregnancy and parental leave policy requires Council approval.

Strategic Plan Implications: N/A

Financial Considerations: The financial impact of the implementation of the policy will be the cost of the top-up during the leave. The amounts will vary as they will be based on the employee's rate of pay during their leave.

Recommendation: THAT Council directs staff to prepare a pregnancy and parental leave policy that includes option #1.



Treasurer



CAO