



## PREGNANCY/ADOPTION PARENTAL LEAVE

### *Expecting a new addition?*

*Congratulations! Bringing a new baby home is a joyous occasion.*

*As a Member of the CAAT Plan, it's important to note that you can take the time to be with your loved ones without having to worry about your job, your income, or even your future pension.*

*This pamphlet describes Pregnancy, Adoption and Parental Leaves, the legislation that governs them and their impact on your Pensionable Service in the Plan.*



### **Pregnancy and parental leaves under the ESA**

The provincial Employment Standards Act (ESA) includes provisions designed to protect the jobs of employees who take leaves of absence for certain family reasons. During the leave period, employees continue to earn seniority. After the leave period is complete, employees must return to the same job (or a comparable job if it no longer exists).

Employers are not required to pay employees during periods of pregnancy/adoption or parental leave. However the ESA states that employers must continue to pay their share of premiums to benefit plans, such as medical insurance. Employers must also continue contributing to pension plans, unless the employee states in writing that she or he does not intend to make contributions during the period of the leave.

### **Pregnancy and parental benefits under the EI Act**

The Employment Insurance (EI) Act is the federal legislation that provides Maternity and Parental benefits to employees who take unpaid leaves under the ESA. These payments give employees the opportunity to receive a stream of income while they remain at home to care for their families. Currently, employees on Pregnancy and Parental Leaves can receive an EI benefit of 55% of average insured earnings, up to a maximum weekly amount. To start receiving EI benefits, employees must apply to Human Resources and Social Development Canada and complete a two week waiting period.

Some employers may “top up” federal EI payments as part of a collective agreement or Human Resource policy. As a college employee, you may be eligible to receive Supplementary Unemployment Benefit (SUB) Plan payments from your College during your Pregnancy / Adoption or Parental leave. For information on SUB Plan payments, contact your College’s Human Resources department.

### **Pensionable Service in the CAAT Plan**

Any gaps in your Pensionable Service, such as a period of Pregnancy or Parental Leave, could result in a lower pension when the time comes to retire. Pensionable Service is one of the factors used to calculate your pension – generally the more Pensionable Service you have, the greater your retirement pension will be. By contributing to your pension during your leave, or upon your return to work, you can accrue Pensionable Service for the period of your absence.

The cost of buying back a Pregnancy/Adoption or Parental Leave is equal to the contributions you would normally have made had you not been on leave. Your contributions are based on deemed earnings – the salary you were earning immediately before leaving work. Adjustments are made to take into account any salary increases you would have been entitled to receive.

- **Pregnancy Leave** allows pregnant employees to take up to 17 consecutive weeks off work to remain with their newborn. To be eligible for a Pregnancy Leave, an employee must have been hired at least 13 weeks before the baby’s due date.
- **Parental Leave** provides up to 37 consecutive weeks of leave to both mothers and fathers of newborn or newly adopted children. To be eligible, an employee must have been hired at least 13 weeks before the start of the leave. Birth mothers who take Pregnancy Leave are permitted to take 35 weeks of Parental Leave, giving a combined total of 52 consecutive weeks of absence.

### **What you'll need to know**

Your College will provide you with a Pregnancy/Adoption or Parental Leave form that you will have to complete and sign. It is normally to your advantage to purchase these leaves, however if you decide against it, you must complete the waiver section of the form and return it to your College.

If you are entitled to receive SUB Plan payments from your College, your contributions may be deducted directly from these payments. You can continue to accumulate Pensionable Service and benefit from the matching contributions your College makes during your leave.

If you are not entitled to SUB Plan payments, or you do not wish to have contributions deducted from your payments, you can make a “buyback” – a lump sum payment of the entire amount of your contributions – upon your return to work. For buybacks made within six months of your return to work, your College matches your contributions. However if the payment is not made within six months, the cost will be recalculated and you have to pay the full actuarial value of the service with no contributions from your College.

To process your purchase, you must provide a cheque, payable to your College, for the full amount within the deadline. You can also make the purchase through an RRSP transfer, in which case you will also have to complete a Canada Revenue Agency form T2033, available from your financial institution.

If you have questions or concerns about how a family leave may affect your future pension, don't hesitate to contact your College's Human Resources office or the CAAT Pension Plan. Further information on purchasing service can be found in the Pamphlet “Purchasing Past Service: A Buyer's Guide”. ●

#### **CONTACT INFORMATION**

2 Queen Street East, Suite 1400 P.O. Box 22  
Toronto ON M5C 3G7

Phone: (416) 673-9000 1-866-350-CAAT (2228) (Toll Free)  
[www.caatpension.on.ca](http://www.caatpension.on.ca)