

*Looking beyond the surface:
An in-depth review of parental benefits*

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project

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international best practices for maternity and parental benefits

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table of contents

Highlighted Countries	1
Sweden	1
Iceland	2
Italy	3
France	4
Norway	5
Germany	6
Finland	7
Luxembourg	8
How Does Canada Compare?	9
Table 1. Early Child Care and Education in Highlighted Countries	9
Table 2. Total Fertility Rates	10
Table 3. Infant Mortality Rates	11
Table 4. Gross National Income in Purchasing Power Parity divided by mid-year population	12
Table 5. Life Expectancy	13
Endnotes	13

highlighted countries

An international review of maternity and parental benefits has assisted in identifying 8 countries with benefits elements best reflecting the guiding principles created in Phase 1 of Looking Beyond the Surface: An In-depth Review of Parental Benefits. The following summaries are adapted from materials developed by *The Clearinghouse on International Developments in Child, Youth and Family Policies*.¹



Sweden

Length of Benefits

The Swedish policy provides for 14 weeks of maternity leave, including up to 7 weeks before birth, and two weeks of paternity leave after childbirth. Parental leave follows for up to 18 months, of which at least two months must be taken by the father, or lost. The parental leave can be prorated to cover 25 percent, 50 percent, or 100 percent of time off from work, and can be shared by mother and father.

Value of Benefits

The first 13 months of leave is paid at 80 percent of wages up to a ceiling, another three months at a low flat rate, and the final three months are unpaid. Employers often top up the first four months, thus covering 100 percent of salary for these months. Civil servants receive 100 percent of wages for the first 13 months. A non-working mother is entitled to the minimum flat rate benefit. The benefit is included in taxable income.

Eligibility

The Swedish Parent Insurance benefit is a universal social insurance benefit, to which all parents are entitled when giving birth or adopting a child.

Employment Protection

The insurance covers a right to leave from work with a job guarantee.

Administration/Financing of Benefits

Benefits are administered under the Swedish Parent Insurance benefit.



Iceland

In Iceland, maternity/paternity and parental leaves refer to leaves at the time of childbirth, adoption or the taking of a child under age 8 into foster care.

Length of Benefits

Each parent is entitled to a three-month maternity/paternity leave but a woman can begin her leave one month before expected birth. Parents have a joint right to three additional months, which may either be taken entirely by one of the parents or divided between them, for a parental leave of nine months in total, all of which must be taken in the first 18 months of the child's life. The leaves can be taken in three consecutive months or divided. Icelandic fathers have the right to an additional two-week paternity leave within the first 8 weeks after childbirth. The mother must take at least two weeks leave after birth.

Special Provisions

In the case of adoption, the leave begins either when the child enters the parents' home or, if parents must travel to collect the child, when the travel begins. In the case of multiple births the leave can be extended by an additional three months; or in the case of the baby's illness or the mother's illness, it can be extended accordingly.

Value of Benefits

While on maternity/paternity leave employed parents are entitled to a cash benefit replacing 80 percent of their prior wages. Unemployed parents have the same rights to parental leave, but the benefit level is lower.

Eligibility

The Icelandic Act on Maternity/Paternity Leave and Parental Leave is targeted at working and unemployed parents, and parents attending full-time educational programmes. Eligibility criteria for wage replacement parental leave is at least 6 months prior employment before beginning the leave, and for new residents, at least 12 months of residence in the country.

Employment Protection

Employees have the right to return either to their job after having had a leave, or to the same kind and level of job.

Administration/Financing of Benefits

The Minister of Social Affairs is responsible for maternity/paternity leave. All payments to parents are handled by the Maternity/Paternity Leave Fund, which is managed by the State Social Security Institute. The Maternity/Paternity Leave Fund is financed through the collection of an insurance levy in addition to interest on the Fund's deposits.



Italy

Length of Benefits

Maternity leave begins two months before expected childbirth and ends three months after. Following maternity leave, either parent may take up to 10 months parental leave at any time until the child is eight years old. Parental leave can be shared by both parents or used exclusively by one of the parents. The 10-month leave can be extended by an additional month if the father takes at least three months of the leave.

Special Provisions

All full-time working mothers are entitled to two hours a day of rest time during the first year after birth. Mothers who work less than two hours are entitled to a rest period of one hour a day. In the case of maternal death or severe disability, the rest periods can be taken by the father.

Adoptive and foster parents of children under age 6 have the same right to the three-month leave following adoption and the optional ten-month leave after, for children under age 3.

Employers receive state incentives to offer part-time employment opportunities to parents following leave. Small firms, which have to temporarily replace the workers, may receive a tax benefit.

Value of Benefits

A cash benefit replacing 80 percent of wages during maternity leave is provided through the social security fund. Civil servants receive their full pay while on leave and many collective bargaining agreements require employers to top up the social insurance benefit and pay an additional benefit covering the remaining 20 percent of wage. During parental leave, parents receive a benefit equivalent to 30 percent of earnings. Benefits are included in taxable income. Professionals and the self employed receive a benefit pegged to the average wage.

Eligibility

All wage earning parents, including professionals and the self employed, are eligible to receive maternity and parental leave benefits.

Employment Protection

Maternity and parental leaves are job-protected.



France

Length of Benefits

Maternity Leave benefits are payable for 6 weeks before and 10 weeks after childbirth for the 1st and 2nd children, for 8 weeks before and 18 weeks after childbirth for a 3rd child, and for 12 weeks before and 22 weeks after confinement if three or more births. Paternity Leave benefits are payable for 14 days or 21 days in the case of multiple births. Parental Leave, sometimes referred to as a "child rearing leave," is up to three years and can be extended by one year in case of sickness, accident, or handicap of the child. The leave can be taken as a full-time leave from work or part time (between 16 and 32 hours per week). Either parent may take parental leave or may share it, choosing to take the leave at the same time or sequentially.

Special Provisions

Adoption Leave for either parent is granted for 10 weeks from the date of the child's arrival and 22 weeks if more than one child is adopted. A three-day paid leave is provided to the parent who does not take the adoption leave.

Value of Benefits

Maternity Leave benefits are paid at 80 percent of earnings, up to a maximum. Paternity Leave benefits are paid at the maximum benefit covered under social security. Parental Leave is unpaid for the first child and paid for the second and subsequent child at a flat rate, and can be pro-rated if taken only part-time. Adoption Leave is paid at 80 percent of earnings, up to a maximum.

Eligibility

Workers qualify for parental leave after working for the same employer for at least one year.

Employment Protection

Maternity/Paternity, Parental and Adoption Leaves are job-protected, ie. workers have the right to return to the same or similar job at the same pay. All leaves are also benefit-protected, including old age, survivors, disability, health, and maternity insurance.



Norway

Length of Benefits

Parental Leave is 52 weeks. This includes 9 weeks of maternity leave, with three weeks to be taken prior to the expected birth and six weeks to be taken after birth. Also included in the 52 weeks is 4 weeks of paternity leave, which can only be taken by the father. If the mother has not been in the labor force, fathers are entitled to a two-week unpaid leave. The equivalent adoption benefit period is the same, less the 3 week pre-birth period. Parents may share the leave and benefit between them.

A benefit called "Time Account" permits parents to take their parental leave and use it to work between half and 90 percent time, yet receive the equivalent of full pay, until their baby is two years old.

The Cash Benefit Scheme is a cash benefit for parents of children under age three. The benefit level is equal to the subsidy provided by the government for a child care place and may be used by a parent to remain at home to care for a toddler, with a supplement to family income or, if preferred, to purchase private in-home or out-of-home toddler care.

In addition, each parent is entitled to another year of unpaid, but job protected, parental leave. Civil servants are entitled to an unpaid, job-protected leave for three years to take care of a child, in addition to parental leave.

Value of Benefits

The parental (or adoption) leave and benefit lasts either 52 weeks with 80 percent pay or 42 weeks with 100 percent pay. All benefits are included in taxable income.

Eligibility

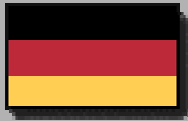
Benefit receipt is contingent on the mother having worked at least 6 out of the last 10 months before giving birth. To receive the parental benefit, the mother must have been in paid employment for at least six of the last 10 months prior to the birth. Periods when the mother was in receipt of sickness benefits or unemployment benefits count as employment. If the mother has not been in the labor force, she still is entitled to a modest lump sum, tax free, cash benefit.

Employment Protection

All Parental and Adoption Leaves are job-protected.

Administration/Financing of Benefits

All Parental and Adoption Leaves are financed out of contributory social insurance payments (payroll taxes) and administered by the National Insurance Agency. The Cash Benefit Scheme is financed out of general revenue from the Ministry of Children and Family Affairs and administered by the local National Insurance offices.



Germany

Length of Benefits

Maternity Leaves include 6 weeks before and 8 weeks after childbirth. Parental Leave is a 3 year extended benefit following childbirth, which both parents are entitled to the 3 year parental leave, which can be taken any time up until the child's 8th birthday. Parents can choose to take their leaves at the same time.

Special Provisions

Parents have the option of working part-time up to 30 hours during their parental leave. Parents may collect unemployment benefits while receiving a child-rearing allowance.

Value of Benefits

Maternity benefits are equal to 100% of the mother's average net pay up to a limit, as well as an additional amount paid by the employer during protected maternity leave. Persons in the statutory health insurance scheme are entitled to a benefit equal to their sickness benefit or a one-time childbirth allowance of 77 Euros (\$119.56 CAN). Female employees not insured by the federal government receive a one-time maternity allowance of up to 205 Euros (\$318.32 CAN).

Parental Leave includes a child-rearing allowance provided as an income-tested flat-rate which can be collected over two years or over 12 months at a substantially higher level. The third year of the parental leave is usually unpaid, although some states provide income replacement for the third year.

Eligibility

Both mothers and fathers who work in firms that have more than 15 employees are entitled to take a three-year parental leave.

Employment Protection

Maternity and Parental Leaves are job-protected, with a continuation of all fringe benefit coverage without payment of contributions or taxes.



Finland

Length of Benefits

Finland has an 18-week maternity benefit, of which 5 weeks may be taken before childbirth and the remainder thereafter. There also a 26-week parental leave, which can be taken by either parent, and a child rearing leave extending until the child is three. Fathers also may take up to 18 days to help with the new child or older children in the family.

Special Provisions

In rural areas, under collective bargaining arrangements, local government finances farm labor replacement for the mother while she is on leave.

Value of Benefits

Income replacement for the 18-week maternity and 26-week parental leave is at 70 percent of earnings, except for quite-high earners. The child rearing leave is paid at a flat rate. A reduced payment is available to a parent who works up to 30 hours. Wage "replacement" for mothers or fathers on leave, but without labor force attachment, is a set percentage of an average wage.

Finland's child rearing leave is covered by a basic home care allowance, currently 3027 Euros (\$4700.28 CAN) annually, provides about 15 percent of an average wage. There is a supplement if the family has more than one child or is low-income, raising it to about 30 percent.

Eligibility

All parents are eligible.

Employment Protection

Time at home caring for a child under age 3 and receiving a home care allowance is considered labor force time so that pension credits accumulate.

Administration/Financing of Benefits

Like all Finish social insurance, these leaves are financed by government (45 percent), employer (35 percent), and employee (13 percent) contributions.



Luxembourg

Length of Benefits

There is a 16-week maternity leave, 8 weeks before and 8 weeks after childbirth. A 4-week supplement is available for nursing mothers and for premature birth or multiple childbirths. For adopting parents, there is an 8-week leave available. A statutory 2-day paternity leave is also available.

Parental leave is for six months per child or one-year if part-time parental leave is taken. Each parent is entitled to this leave and while this could be taken up until the child's fifth birthday, one parent must begin their parental leave immediately following maternity leave. Parents may share part-time leave during the same period in order to guarantee care of a child.

Special Provisions

There are related "in kind" benefits that include midwife and medical assistance and a stay in a maternity hospital. Families also receive a childbirth allowance that has three components: a prenatal, childbirth and postnatal. The prenatal allowance is paid to pregnant women who legally reside in Luxembourg and have adhered to mandated prenatal health exams. The childbirth component is payable to the parent provided the child is born in Luxembourg; at least one of the parents is a legal resident of Luxembourg; and the mother undergoes a postnatal exam within eight weeks of giving birth. To receive the postnatal allowance, a parent must have the child medically examined at least six times before the child's second birthday.

Value of Benefits

Maternity and Paternity Leaves include 100% taxable wage replacement if the parent's salary is discontinued. A lump-sum cash maternity allowance is payable to persons who have no loss of income while on maternity leave. A lump-sum payment also pays for drugs and baby food.

Parental Leaves is paid as a monthly fixed benefit by the national Family Benefits Fund. This benefit is exempt from taxes and social contributions, except for health care and the dependent's contribution. The state pays for the pension contribution.

Eligibility

Any person raising one or more children under age five who was employed for at least one year in a Luxembourg-based company is eligible for parental leave. Each employed parent has a right to parental leave.

Employment Protection

Employees on leave have a guarantee of re-employment.

Administration/Financing of Benefits

Maternity and Paternity benefits are government financed. Parental Leave is paid by the national Family Benefits Fund and is financed through the employment fund (petrol products tax) and state revenues.

how does canada compare?

Six of the eight highlighted countries (Finland, Norway, Germany, Iceland, France and Sweden) have an explicit family policy which encompasses maternity and parental benefits, along with other family friendly legislation and benefits. For example, all of the highlighted countries with explicit family policy include universal early child care and education programs that cover 68% to 100% of costs of care for children from, at latest, age 2 and, at earliest, age 0 (see table 1 below). Often, the countries which begin their coverage of child care at an older age have such superb maternity and parental leave benefits that parents can afford to be the sole child care providers while their children are infants.

Table 1. Early Child Care and Education in Highlighted Countries²

Country	age group served	eligibility criteria	funding
Norway	1-5	universal for working parents	parents pay income related fees, with parents covering about 30% of overall program costs
Iceland	0-5	universal, dependant on classroom space	parents pay income related fees, with parents covering about 32% of overall program costs
Finland	1-6	universal for working parents	parents pay income related fees, with parents covering about 10% of overall program costs
France	2-6	universal	free
Germany	0-6	universal 3-6, under 3, universal for working parents, low income and special needs	parents pay income related fees, to a maximum of 16-20% of costs
Sweden	0-6	universal	parents pay income related fees, with parents covering about 13% of overall program costs

When we compare Canada's and Europe's averages for total fertility rates, infant mortality rates, gross national incomes and life expectancies (see Tables 2, 3, 4 and 5 below), we can see that Canada is doing better in all of these areas. When we average the numbers for only the eight highlighted countries, however, and compare to Canada, we see a very different result. The eight highlighted countries, as compared to Canada, have:

- a higher total fertility rate
- a lower infant mortality rate
- a higher average gross national income
- identical life expectancies for women and men

Table 2. Total Fertility Rates

Region	Total Fertility Rate ³
World	2.8
more developed countries	1.6
Canada	1.5
Atlantic Canada ⁴	1.4
Canadian Provinces excl. Atlantic Provinces ⁵	1.6
Europe	1.4
Average of Highlighted Countries	1.7
Finland	1.8
Iceland	2
Norway	1.8
Sweden	1.7
France	1.9
Germany	1.3
Luxembourg	1.6
Italy	1.3

Despite the fact that fertility rates in Europe are lower, at 1.4, than they are in Canada (1.5), the average total fertility rate of the 8 highlighted European countries is 1.7.

Table 3. Infant Mortality Rates

Region	Infant Mortality Rate
World	56
more developed countries	7
Canada	5.2
Europe	7
Av. of Highlighted Countries	3.7
Finland	3.2
Iceland	2.4
Norway	3.4
Sweden	2.8
France	4.1
Germany	4.1
Luxembourg	4.9
Italy	4.8

Despite the fact that Europe's average infant mortality rate (7) is higher than Canada's (5.2), the average infant mortality rate of the 8 highlighted European countries is much lower than Canada's at 3.7.

Table 4. Gross National Income in Purchasing Power Parity divided by mid-year population

Region	GNI PPP per Capita 2002 (US\$)
World	\$7590
more developed countries	\$23690
Canada	\$28930
Europe	\$17730
Av. of Highlighted Countries	\$31458
Finland	\$26160
Iceland	\$29240
Norway	\$36690
Sweden	\$25820
France	\$27040
Germany	\$26980
Luxembourg	\$53290
Italy	\$26170

Despite the fact that Europe's average gross national income (\$17,730) is much lower than Canada's (\$28,930), the average gross national income in the 8 highlighted European countries is higher than Canada's at \$31,458.

Table 5. Life Expectancy

Region	Life Expectancy at Birth	
	male	female
World	65	69
more developed countries	72	80
Canada	77	82
Europe	70	78
Av. of Highlighted Countries	77	82
Finland	75	82
Iceland	79	83
Norway	77	82
Sweden	78	82
France	76	83
Germany	75	81
Luxembourg	75	81
Italy	77	83

Despite the fact that Europeans in general have much lower life expectancies than in Canada (male, 77, female, 82), male Europeans having a life expectancy of 70 and female Europeans having a life expectancy of 78, the life expectancies in the 8 highlighted European countries are exactly on par with Canada.

endnotes

1. The Clearinghouse on International Developments in Child, “Countries”, Youth and Family Policies at Columbia University, <http://www.childpolicyintl.org/>
2. *ibid*
3. All rates are from 2004 World Population Data Sheet of the Population Reference Bureau, unless otherwise noted
4. Department of Finance, Government of Newfoundland and Labrador, 1997
5. Department of Finance, Government of Newfoundland and Labrador, 1997