



New QPIP measures: Additional Benefits for Single Parents and Increased Benefits for Low-income Workers

On October 29, 2020, the ***Act mainly to improve the flexibility of the parental insurance plan in order to promote family-work balance*** was passed. The Act was to be implemented in several phases, the last of which was completed January 1, 2022. In this newsletter, you will find details about the addition of single-parent benefits as well as the benefit enhancement measure for low-income claimants, which applies to new claims filed on or after September 26, 2021.

Single parent

For births or adoptions occurring on or after January 1, 2022, QPIP provides for additional benefits when there is only one parent listed on the birth or adoption certificate (or equivalent document). Thus, the parent will receive 5 additional weeks of benefits at 70% if he or she chooses the basic plan, or 3 additional weeks at 75% for the special plan. This enhancement will provide a single parent with a total of 55 or 43 weeks of benefits, depending on the plan chosen.

Increased benefits for low-income workers

Previously, to qualify for an increase in benefits, the combined family income of both parents had to be less than \$25,921. That threshold, set by the Conseil de gestion in the ***Regulation under the Act respecting parental insurance***, had remained unchanged since the plan's inception in 2006, depriving more and more claimants of benefits each year. For 2019, only 4.5% of new QPIP recipients received the additional benefit for low-income families, the comparable figure for the previous year being 4.8%.

A new measure is in effect for applications covering a period beginning on or after September 26, 2021, and provides financial support to low-income workers. First, the calculation is now based on individual rather than family income, which allows the person applying for benefits to receive them directly. Also, the calculation of the weekly threshold is based on the minimum wage (40 hours) on the benefit period start date. This will ensure a minimum indexation of the threshold on the same timeline as Quebec's minimum wage. Parents need not take any action

to benefit from this measure; eligibility for the enhanced benefit will be determined, and the calculation done, automatically at the time of application for benefits.

Currently the threshold is set at \$540/week (40 hours × \$13.50); it will be \$570/week when the minimum wage increases to \$14.25 on May 1, 2022. For claimants whose average weekly earnings (AWE) are below the threshold established at the start of the benefit period, the following will apply:

Basic plan

Whichever amount is less:

85% of AWE

70% or 55% of the threshold (\$540), i.e. a weekly minimum of \$378 (70%) or \$297 (55%)

or

Special plan

Whichever amount is less:

100% of AWE

75% of the threshold (\$540), or a minimum of \$405/week

Example 1

Calculation of the enhanced benefit amount for an individual with AWE of \$230, for a benefit period beginning on or after September 26, 2021:

1- Replacement rate (85%) × AWE (\$230) = \$195.50 \$

or

2- Replacement rate (70% or 55%) × eligibility threshold (\$540) = \$378 (70%) or \$297 (55%)

When the product of the 85% replacement rate and the individual's AWE is less than the product of the replacement rate applicable to the basic plan and the eligibility threshold, the product of the 85% replacement rate and the individual's AWE gives the increased benefit amount (\$195.50).

Example 2

Calculation of the enhanced benefit amount for an individual with AWE of \$500, for a benefit period beginning on or after September 26, 2021:

1- Replacement rate (85%) × AWE (\$500) = \$425

or

2- Replacement rate (70% or 55%) × eligibility threshold (\$540) = \$378 (70%) or \$297 (55%)

When the product of the 85% replacement rate and the individual's AWE is less than the product of the replacement rate applicable to the basic plan and the eligibility threshold, the product of the replacement rate applicable to the basic plan and the individual's AWE gives the increased benefit amount (\$297).

This new measure will directly benefit those earning the lowest wages. The measure is expected to benefit some 17,000 parents annually, mostly mothers and self-employed individuals.

It may also apply, however, to some of our members who have few hours of work or who have encountered particular situations during their reference period (e.g., closely spaced pregnancies) and for whom the exceptions set out in the QPIP (early start, sections 31.1, 31.2 or 32 of the Regulation) would not suffice to afford them satisfactory average weekly earnings.

Thank you to the CSQ for the information provided in *Nouvelles mesures RQAP : prestations supplémentaires pour parent seul et majoration des prestations pour les travailleuses et travailleurs à faible revenu.*