



QUÉBEC PARENTAL INSURANCE PLAN (QPIP)

This communiqué is a reminder of this plan's principal modalities and also specifies the new premium contribution payable as of January 1, 2010.

Since January 1, 2006, Québec citizens are covered under a new Parental Insurance Plan. This plan (QPIP) provides financial benefits to all salaried workers, self-employed workers and workers who are both salaried and self-employed, if they desire a maternity leave, paternity leave, parental leave or adoption leave.

This plan is controlled by the Québec government and replaces the federal Employment Insurance (EI) plan for these benefits, following an agreement between the governments on March 1, 2005.

Eligibility

To qualify for benefits under the Québec Parental Insurance Plan, you must meet all of the following conditions:

Salaried workers

- Be the parent of a child born or adopted on or after January 1st, 2006;
- Reside in Québec at the start of the benefit period;
- Have stopped working or seen a reduction of at least 40% in your usual employment income (salary);
- Have at least \$2,000 in insurable income (income taken into account for benefit calculation purposes) during the reference period (period during which the income you earned is considered in determining the benefit amount; this period is usually 52 weeks), regardless of the number of hours worked;
- Be required to pay premiums under the Québec Parental Insurance Plan.

Self-employed workers

- Be the parent of a child born or adopted on or after January 1st, 2006;
- Reside in Québec at the start of the benefit period and have resided in Québec on December 31 of the year preceding the start of the benefit period;
- Have ceased your business activities or reduced the time spent on your business activities by at least 40%;
- Have at least \$2,000 in insurable income (income taken into account for benefit calculation purposes) during the reference period (period during which the income you earned is considered in determining the benefit amount; this period is usually 52 weeks);
- Be required to pay premiums under the Québec Parental Insurance Plan.

Workers who are both salaried and self-employed

- Be the parent of a child born or adopted on or after January 1st, 2006;
- Reside in Québec at the start of the benefit period and have resided in Québec on December 31st, of the year preceding the start of the benefit period;
- Have stopped working or seen a reduction of at least 40% in your usual employment income (salary) **and** ceased your business activities or reduced the time spent on your business activities by at least 40%;
- Have at least \$2,000 in insurable income (income taken into account for benefit calculation purposes) during the reference period (period during which the income you earned is considered in determining the benefit amount; this period is usually 52 weeks);
- Be required to pay premiums under the Québec Parental Insurance Plan.

Benefits

Four types of benefits are offered under the Québec Parental Insurance Plan:

- maternity benefits
- paternity benefits
- parental benefits
- adoption benefits

Parents must choose between two options: the basic plan or the special plan. In so doing, they decide the duration of their leave as well as their income replacement rate.

The choice of plan is determined by the first parent to receive benefits and cannot be modified. As a result, this decision binds the other parent, even in the event of joint custody.

The following table indicates the maximum number of benefit weeks and percentage of average weekly income for each type of benefits, depending on the plan chosen.

| Types of benefits | Basic Plan | | Special Plan | |
|-------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| | Maximum number of benefits weeks | Percentage of average weekly income | Maximum number of benefits weeks | Percentage of average weekly income |
| Maternity | 18 | 70 % | 15 | 75 % |
| Paternity | 5 | 70 % | 3 | 75 % |
| Parental | 7 25 (7 + 25 = 32) | 70 % 55 % | 25 | 75 % |
| Adoption | 12 25 (12 + 25 = 37) | 70 % 55 % | 28 | 75 % |

Maternity and paternity benefits

Maternity benefits are for the mother only and paternity benefits are for the father only. If the father does not use his benefits, they are not transferable to the mother.

Benefit payment

Maternity

Payment of maternity benefits may begin no sooner than the 16th week before the expected delivery date. Except for special cases, benefit payment ends no later than 18 weeks after the birth week.

If the pregnancy is interrupted in or after the 20th week of pregnancy, the mother may be eligible for maternity benefits. Except for special cases, benefit payment ends no later than 18 weeks after the week the pregnancy is interrupted.

Paternity

Paternity benefits may begin no earlier than the week the child or children are born and except for special cases, they cannot continue past the 52nd week after the birth week.

Parental benefits and adoption benefits

The total number of weeks of parental benefits or adoption benefits can be taken by either parent or shared by both, based on an agreement between the two. In addition, parents may take these weeks simultaneously or consecutively.

Parental or adoption benefits can be taken on a continuous basis, or they can be interrupted and taken later if the eligible period of the selected plan is still respected.

Benefit payment

Parental

Parental benefits may begin no earlier than the week the child or children are born and except for special cases, they cannot continue past the 52nd week after the birth week.

You and your employer must come to an agreement regarding the time of the leave.

Adoption

In the case of an adoption in Québec, benefits may begin no sooner than the week the child or children come into the care of one of the parents for the adoption.

In the case of an adoption outside Québec, benefits may begin no sooner than two weeks before the week the child or children come into the care of one of the parents for the adoption.

Except for special cases, benefit payment cannot exceed the 52nd week after the child comes into the care of one of the parents.

Supplement for low-income families

The Québec Parental Insurance Plan provides for additional financial assistance to low-income families. If your net family income is under \$25,921, you could be granted an increase in benefits.

Premiums and maximum insurable income

As of January 1, 2006, the following people pay premiums under the Québec Parental Insurance Plan:

Salaried workers, self-employed workers and employers
Revenu Québec is responsible for collecting premiums for the Québec Parental Insurance Plan.

The following premium rates apply for 2010:

- \$0.506 per every \$100 in eligible salary and wages for salaried employees
- \$0.708 per every \$100 in eligible salary and wages for employers
- \$0.899 per every \$100 in business income for self-employed workers

For contribution purposes in 2010, the minimum annual insurable income is \$2,000 and the maximum annual insurable income is \$62,500.

Submitting application

Submit application in the calendar week (from Sunday to Saturday) during which parents wish to start receiving benefits.

Cannot submit application in advance.

There is no waiting period to be eligible for the benefits.

Signing up

- By Internet, for online services :

www.rgap.gouv.qc.ca

- By telephone : 1 888 610-7727

Impact of Québec Parental Insurance Plan (QPIP) premium on employees, self-employed workers and employers after the 4.5% global increase on contributions in 2010.

| EMPLOYEE'S CONTRIBUTION TO THE QPIP | | | |
|-------------------------------------|-----------------|-----------------|------------------|
| | 2009 | 2010 | |
| Annual income | Rate : 0.484% | Rate : 0.506% | Difference |
| \$2 000 | \$9.68 | \$10.12 | + \$0.44 |
| \$30 000 | \$145.20 | \$151.80 | + \$6.60 |
| \$40 000 | \$193.60 | \$202.40 | + \$8.80 |
| \$62 500 and up | \$300.08 | \$316.25 | + \$16.17 |

| SELF-EMPLOYED WORKER'S CONTRIBUTION TO THE QPIP | | | |
|---|-----------------|-----------------|------------------|
| | 2009 | 2010 | |
| Net income | Rate : 0.860% | Rate : 0.899% | Difference |
| \$2 000 | \$17.20 | \$17.98 | + \$0.78 |
| \$30 000 | \$258.00 | \$269.70 | + \$11.70 |
| \$40 000 | \$344.00 | \$359.60 | + \$15.60 |
| \$62 500 and up | \$533.20 | \$561.88 | + \$28.68 |

| EMPLOYER'S CONTRIBUTION TO THE QPIP | | | |
|-------------------------------------|-----------------|-----------------|------------------|
| | 2009 | 2010 | |
| Annual income | Rate : 0.677% | Rate : 0.708% | Difference |
| \$2 000 | \$13.54 | \$14.16 | + \$0.62 |
| \$30 000 | \$203.10 | \$212.40 | + \$9.30 |
| \$40 000 | \$270.80 | \$283.20 | + \$12.40 |
| \$62 500 and up | \$419.74 | \$442.50 | + \$22.76 |

Source : www.rgap.gouv.qc.ca

Please contact one of our consultants for further and specific information

REMINDER



This pictogram indicates that the information contained in the news bulletin is mainly intended for the **manager of group insurance plans**.



This pictogram indicates that the information contained in the news bulletin is intended for **employees**.