

Leave top-ups help build goodwill

While most organizations don't top up EI benefits, those that do are firm believers

BY SARAH DOBSON

For more than 15 years, Assumption Life has offered a maternity leave top-up of up to 100 per cent for the first 16 weeks.

"For us, it was to ensure that the benefit was still competitive," says Rachelle Gagnon, director of HR at Assumption Life in Moncton, N.B. "Even though people are not working, especially with a new baby, they still have a fair amount of expenses, and to drop to 55 per cent of your salary is quite a big drop."

Those who receive the top-ups are required to return to the insurance company for at least six months after the leave. If not, they must pay back the investment pro-rated to the months they worked. For the most part, people come back to the 250-employee organization, says Gagnon, and the cost of the investment is worthwhile.

"We see it as a family-friendly policy just like we do a family responsibility leave and other kinds of things like that to make the workplace more flexible and more adaptable to employees' personal needs," she says. "It's not just about money, it's more the employer's commitment to say, 'We recognize this is an important part of your life and we want to make sure we can contribute to that.'"

Some people return from maternity leave before the year is up, be-

cause it's financially draining, and often people work a certain number of hours while on leave to earn supplemental income, says Gagnon.

"It gives them an intellectual challenge and at the same time keeps them associated with the workplace but it does give a financial boost," she says. "Most companies are quite open to that because, during mat leave, it's not often easy to find someone who's at the same level of qualification and experience and can kind of fill in somebody's shoes."

Most firms don't top up

Companies such as Assumption Life are in the minority, according to a recent study by Statistics Canada. In 2008, only 20 per cent of working mothers who received maternity or parental benefits also received employer top-ups. In smaller companies, just one in 10 received top-ups compared to one-third at larger companies, says Katherine Marshall, author of *Employer Top-ups* at the labour and household surveys analysis division of Statistics Canada.

But 96 per cent of those who received a top-up returned to the same employer compared to 77 per cent of those without any benefits. Employer top-ups act as a strong incentive for women to not only return to the paid workforce but stay with the same employer.

"Whether it's loyalty, enjoyment of the job, obligation, it's hard to know,"

she says.

The women receiving the benefits are also significantly more likely to earn higher wages, indicating a better job and a better benefit package.

"Perhaps a better job is more enjoyable to return to," says Marshall.

However, top-ups don't seem to have an impact on the length of time away from work. Women are likely to take the entire duration either way, says Marshall.

Compass Group has sliding scale for top-ups

At Compass Group, the decision to offer top-ups was to encourage young female managers to return to their employer after maternity leave. The food and support services company has a large female population among its 25,000 workers in Canada and is keen to both have them come back and help them balance family and work responsibilities.

"It's a threefold approach," says Brenda Brown, senior vice-president of HR at Compass in Mississauga, Ont.

People who go on maternity, parental or adoptive leave are rewarded with top-ups for 17 weeks based on their years of service. So an employee who has worked at Compass for fewer than five years receives a top-up of 70 per cent; for five to 10 years, 75 per cent; and for more

Continued on Next Page

Targeted top-ups common

Continued From Previous Page

than 10 years, 80 per cent.

“We have a couple of other programs based on length of service, so this fit right into it,” says Brown.

It’s a worthwhile retention tool and, while obviously there is a cost, these people have a lot of knowledge and experience and Compass is keen to keep that within the organization, she says. Plus other workers appreciate the company’s generosity.

“It’s an easy one to do because it builds a lot of goodwill,” she says.

Compass is also flexible, accommodating people who are still keen to work one or two days a week during maternity leave.

“That gives them an opportunity, we found, to keep a connection to the office, still be at home with their kids but at the same time, have that ability to work,” says Brown. “It’s all about employee retention, it’s all about employee motivation, it’s all about employee morale, for those employees as well as the employees they work with because they see the company has this more flexible arrangement.”

Top-ups becoming entitlement?

Most of Daphne Woolf’s clients offer top-ups for maternity and parental leaves and some are even offering them for commissioned sales roles.

“It’s becoming increasingly mainstream and it’s also, good or bad, becoming one of those benefits that becomes an entitlement,” says Woolf, managing partner at management and HR consulting firm Collin Baer Group in Toronto. “If you’re an employer looking to have a highly engaged workforce, looking to retain people, looking at talent management, if you’re an organization par-

ticipating in engagement surveys, if you’re in that echelon, then having something like a top-up is (a must-have).”

Some employers top up to 100 per cent, for the right class of employee, while others ask employees to work through the mat leave to receive that kind of top-up, she says.

“Some employers are looking to have employees not do a total check-out and the trade-off for that is 100 per cent for a certain number of weeks,” says Woolf.

This kind of benefit is not an engagement tool but part of the payment package, she says, though it can help with recruitment as employers that lack top-ups could turn some candidates away. But offering top-ups is not necessarily a retention tool to entice women back, says Woolf.

“It’s more ‘We really value you, you’re a big contributor to our organization and just because you’re having a baby, why should your salary reduce?’” she says. “From a practical standpoint, this concept of having a baby and having a pay cut doesn’t make sense so some employers are acknowledging that.”

Part of a holistic plan

Attraction and retention is not really a factor behind Sophos’ top-ups, according to Laura Di Felice, HR manager at Sophos in Vancouver. It’s more the holistic plan — whether that means medical benefits or employee communications — that provides the full picture for its 200 workers in Canada.

“We feel we have a sense of community in our organization and we need to take care of the people,” says Di Felice. “People feel very loyal because they know if they are dealing with a certain situation, they’re going to get the respect and attention and

something more specific to their case than just a broad stroke.”

A couple of years ago, the security software company surveyed employees to see what was of value to them. As a result, the company — which is about 75 per cent male — takes care of the first two weeks at full pay and then provides 10 weeks’ top-up at 80 per cent of salary. For paternity or adopting parents, it provides one week of paid leave at full pay.

“It would be lovely to pay 100 per cent all the time but I don’t think that’s realistic,” says Di Felice. “We’d like to do more but we didn’t have the stats to be able to support anything longer.”

But the investment is more than worthwhile, particularly for larger organizations, says Glenn Kehrer, president of Group Benefits Consulting of Canada in Winnipeg.

“Really the cost of it isn’t a whole hell of a lot compared to if you’re trying to attract somebody,” he says, as a total top-up cost of \$12,000 for a person making \$45,000 is “a fairly good investment.”

Top-ups are more likely to be offered to senior management people, who are harder to replace, to ensure they return.

“Having the top-up, it’s a hook, because if you accept it, then you know you have to come back in a year or you have to pay money back,” says Kehrer

But maternity leaves have much more of an impact on smaller organizations, where top-ups are less affordable.

“I would love to see the Canadian government give some tax incentives to employers in the small market, under 100 lives, to say, ‘We recognize this large, one-year leave of absence is a financial cost to your organization,’” he says.