

MATERNITY/PARENTAL BENEFITS PROGRAM INFORMATION FOR PHYSICIANS



The Medical Society administers a Maternity/Parental Benefits Program for eligible physicians on Prince Edward Island. The Program provides partial income replacement for a physician parent who wants to take a temporary leave from PEI practice for the birth/adoption of a child. This Program is intended to financially assist physicians who suffer a loss of income because they provide little or no physician services during the period of leave. The program covers PEI physicians regardless their income modality (fee-for-service or alternate payment).

Am I eligible to claim?

If you have practiced medicine on PEI immediately prior to taking a leave of absence to care for a newborn or adopted child aged 5 or under, you are eligible to file a claim for benefits. These benefits are available to physicians who earned income directly or indirectly from Health PEI immediately prior to their leave for providing medical services and/or administrative duties. Applicants must have held a "Full" or "Full Time" license with the College of Physicians and Surgeons of PEI prior to the leave, and are required to continue to pay dues to the Medical Society. For greater clarity, these benefit programs are not available to physicians who, prior to the start of the parental leave, held a short-term or temporary license or served as a locum.

What benefits are available?

In general, you are eligible for up to 17 consecutive weeks of benefits as long as you have earned qualifying income for at least 17 weeks in the 12 months prior to your leave. If you have earned qualifying income for less than 17 weeks in the year prior to your leave, your maximum benefit period will be equal to the number of weeks you actually worked. You must take a minimum two weeks leave. In the event of a still birth, or death soon after birth, in cases of 19 or more weeks gestation, a compassionate benefit of up to one month is available to qualifying physicians.

Your parental leave claim period can begin as early as four weeks prior to the expected birth/adoption, but no later than six weeks after the baby's discharge from hospital or date of placement of your adopted child. Claimants must file an application for benefits within two months of the birth or adoption of a child. Thereafter, claims will not be accepted.

The amount of your weekly benefit is based on your qualifying income over the past year. It will be calculated as 60% of your average gross weekly earnings over the best six months of the 12 months (or portion thereof) immediately prior to your leave. However, the maximum gross benefit is \$1,200 per week, regardless of your qualifying income. If you have worked less than six months in the past year, your qualifying income will be calculated on all weeks worked prior to the leave. Benefits will not be adjusted in the case of retroactive pay increases.

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Salaried physicians are required to apply for employment insurance (EI) before applying for the Parental Leave Program.

The program will top up the employment insurance payment up to a maximum of \$1,200 per week. See Service Canada website for more information regarding applying for EI for maternity/parental benefits. No benefits will be paid from the Maternity/Parental Benefits Program until salaried physicians have provided evidence of applying for EI benefits.

Can I earn other income while on leave?

While benefits are being paid, you may also earn up to \$2,000 gross income per bi-weekly claim period from all other sources (excluding employment insurance). Your weekly benefit will be reduced, dollar for dollar, if you earned more than \$2,000 income from other sources during that bi-weekly claim period.

Other sources of income include salary top-ups, vacation pay, fee-for-service remittance income, disability insurance benefits, etc.

Employment Insurance benefits are deducted from your weekly benefits under this Program. However, any income you receive while on leave for services you provided prior to the start of your parental leave should not be reported. It does not affect your benefit under this program. Only income earned while on leave should be reported.

Health PEI will provide MSPEI monthly billing reports for physicians that are on maternity/parental leave to verify income earned.

Can I share the leave with my spouse?

If both parents are physicians, they can both access the 17 consecutive week benefit period if both take a leave of absence from their practice.

What else should I know?

Benefits are only payable to physicians who are resident on PEI during the benefit period.

Relocation from the province will automatically terminate benefits. Maternity/Parental benefits are taxable and the Medical Society is required to submit income taxes on your behalf. We automatically will submit taxes at the maximum rate. A T4A slip will be issued to you for income tax purposes.

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How do I apply?

Contact MSPEI at 902-368-7303. You will be sent an Application for Benefits form. You must complete and return the Application form to establish your eligibility for benefit (the maximum weekly benefit you are eligible for and the maximum number of consecutive weeks that you may claim). Thereafter, you will be sent a series of simple biweekly Claim forms. To be eligible to receive a benefit for each biweekly period, you must submit a Claim form to detail income you have earned and received from all other sources during the claim period. The Medical Society will calculate your benefit and send you a cheque two weeks following the end of each claim period.

What information does the Medical Society require?

You must begin your claim within six (6) weeks of the adoption/discharge. To initiate your claim the Medical Society needs the following information, which you will be asked to provide on the Application for Benefits form:

- Identifying information about yourself
- Key dates affecting your maternity/parental leave
- Information on your qualifying income for each month during the 12 months prior to your leave
- Applications must be received within two months of the birth or adoption of a child (however, the actual leave must have begun no later than 6 weeks after the date of the birth or adoption)

In addition, for audit and verification purposes, you must agree to provide copies of relevant financial reports (e.g. income tax returns, Health PEI remittances, other employer remittances, etc.) upon our request. Finally, you must submit proof of the birth/adoption, such as a physician's or hospital's report of the birth, or birth certificate/adoption certificate.

SAMPLE CALCULATIONS

1. *Determination of Qualifying Income & Benefit Amount*

Your benefit level is affected by your past gross income. You must report your monthly gross income on the application form so we can calculate your qualifying income. It will be calculated as 60% of your average gross weekly earnings over the best 6 of the 12 months (or portion thereof) immediately prior to your leave. However, the maximum benefit available to all claimants is \$1,200 per week regardless of prior income.

Example 1

- Salaried physician who earned \$12,000 gross income per month for all 12 months prior to the start of actual leave period.
- Gross income on best 6 months is $6 \times \$12,000 = \$72,000$.
- Qualifying income per week is $\$72,000 \div 26 \text{ weeks} = \$2,769$

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- 60% of qualifying income is $6 \times \$2,769 = 1,661$.
- Benefit is maximized at \$1,200 per week.

Example 2

- A fee-for-service physician worked only 8 months prior to start of actual leave. We use the gross income from the best 6 months: \$10,000, \$11,000, \$12,200, \$10,900, \$9,200, \$10,500.
- Total gross over best 6 months = \$63,800.
- Qualifying income per week = $\$63,800 \div 26 \text{ weeks} = \$2,454$
- 60% of qualifying income is $.6 \times \$2,454 = \$1,472$
- Benefit is maximized at \$1,200 per week.

2. Factors Which Can Change Your Benefit Amount

You are allowed to earn and receive a maximum of \$2,000 of income per bi-weekly claim period from all other sources in addition to your maternity leave benefit. If you earn and receive more than that, the extra earnings are deducted dollar for dollar from your benefit.

Example 3

- Salaried physician is entitled to \$1,200 per week from the Maternity/Parental Benefit Program. Physician also receives \$417 a week for E.I. benefits.
- There is a reduction to the leave benefit equal to E.I. received.

Example 4

- Physician is entitled to \$1,200 per week from the Maternity/Parental Benefits Program. Physician receives a substantial payout for delayed claims while on leave.
- There is no reduction to the leave benefit because the payout was for services provided before the parental leave period began. There is no need to report income for such services.

Example 5

- Physician is entitled to \$1,200 per week from the Maternity/Parental Benefits Program.
- Physician decides to provide services during leave and subsequently earns and receives a \$2,500 remittance for those services while still on leave. Physician will receive only a \$1,900 benefit for the biweekly leave period because she/he exceeded the \$2,000 bi-weekly maximum income from other sources (excluding employment insurance) by \$500 ($\$2,500 - \$2,000 = \500).

Further Questions?

If you have any other questions or concerns about this Program please contact the Medical Society office.