

CHAPTER 13



FINANCIAL SUPPORTS



Adoption Council of Canada
Conseil d'adoption du Canada

No. 46, PAGE 16-17
FEDERAL GOVERNMENT BENEFITS
FROM FAMILY HELPER,
WWW.FAMILYHELPER.NET, FH 46 (2005)

Government support for raising children takes several forms. Some benefits last until your child turns 18. Paid leave from work lasts 35 weeks, starting the day your child comes home. And the adoption tax credit is a one-time rebate on the taxes you owe.

CHILD TAX BENEFIT

What we used to call the baby bonus—the Family Allowance—was replaced by the **Canada Child Tax Benefit** in 1993. Parents with children under 18 get a monthly cheque based on family income. It's tax free. Pamphlet: *Your Canada Child Tax Benefit*, www.cra.gc.ca/benefits, 800-387-1193.

The cheque may include two other benefits:

- **National Child Benefit Supplement**, for low-income families. A family with two children can receive up to \$5,055 a year. www.nationalchildbenefit.ca.
- **Child Disability Benefit**, for families caring for children with severe and prolonged mental or physical disabilities. www.cra.gc.ca/disability, 800-387-1193.

What other benefits might you be eligible for? See "Benefits Finder", www.benefits.gc.ca, answer ten questions and get a list of federal and provincial programs which suit your circumstances.

PARENTAL LEAVE

Staying home with your newly-adopted child? Be sure to claim the paid time off work which is coming to you.

Under Canada's Employment Insurance program, women who give birth are due 15 weeks of maternity leave and 35 weeks of parental leave. Adoptive parents get only 35 weeks of parental leave. (The discrepancy is a bone of contention in the adoption community.)

While you're caring for the new member of the family, EI will pay you 55% of your average insured earnings, up to \$413 a week. The payments start on the day your child arrives in your house.

To get parental benefits you need to have worked 600 hours in the previous 52 weeks. (Sorry if you're self-employed ... you're not insured under the EI program, so no paid leave for you.)

The 35 weeks off can be taken by one parent or shared between two at the same time, to a total of 35 weeks. You could also take a few weeks off, then return to work, while your partner takes the remaining time. And if you feel like a holiday abroad, you can collect parental benefits while outside Canada.

Finally, if at the end of 35 weeks you don't have a job to go back to, you may be able to get regular EI benefits without a waiting period.

For more, call 800-206-7218, or see Employment Insurance: Types of Benefits, www.hrsdc.gc.ca/en/gateways/topics/tyt-gxr.shtml.

Quebec does it better ...

Quebec has a better idea. As of Jan. 1, 2006 its Parental Insurance Plan will replace the EI plan with more generous maternity, paternity, parental and adoption benefits. Quebec parents will get higher payments, and the option of taking a shorter period of leave with a higher percentage of benefits paid. The minimum 600 hours worked in a year is replaced by an eligibility criterion based on annual insurable earnings (\$2,000) ... and self-employed workers will be eligible.

Clearly, the EI program is lagging behind the more progressive plan starting in Quebec.

ADOPTION TAX CREDIT

The federal budget of Feb. 23, 2005 surprised everyone by announcing a federal *adoption tax credit*. The budget may or may not make it through before the end of the Third Session of the 37th Parliament. If not, all adoptive families have to hope that it will reappear in the next session.

Here is how you would get a break on your adoption costs.

- The 16% tax credit is based on up to \$10,000 in eligible expenses (agency fees and expenses, legal fees, travel and living expenses) whether domestic or international.
- You could save at most \$1,600 per adoption on your 2005 income tax.
- The tax credit starts in 2005, so it won't benefit those who finalized an adoption in 2004 or earlier.
- For an adoption finalized in 2005 or later, you can claim for expenses dating back to when you opened an adoption file with a government or private adoption agency. (So it could cover expenses from 2004.)

- A tax credit is subtracted from the tax you owe. It's not a tax deduction—letting you deduct expenses from your income—which is what M.P. Jay Hill was promoting with his Bill C-246.

I have to say that a tax credit of \$1,600 is pretty stingy. Quebec does it better, once again. Its Adoption Tax Credit gives credit for 30% of adoption expenses—and since maximum expenses allowed are \$20,000, Quebec adopters can save up to \$6,000 on their provincial income tax. (See Gilles Breton's explanation at www.quebecadoption.net/adoptiona/process/impota.html.) Provisions are even more generous in the U.S.; see below.

Doug Chalke of Sunrise Family Services in B.C. is following exactly how the tax credit will be interpreted by Revenue Canada. See his analysis at www.SunriseAdoption.com/TaxCredit.

For details on the eligible expenses, see my article for the Adoption Council of Canada, "Adoption Tax Credit", www.adoption.ca/news/050223tax.htm.

U.S. federal adoption tax credit

The United States leads in the field of adoption tax credits. Adoptive parents in the U.S. can claim a tax credit of up to \$10,390 (about Can\$12,500) on their federal income tax return for qualified adoption expenses, both domestic and international.

This tax credit is more valuable than a tax deduction because you subtract allowable expenses directly from your tax liability. For example, if you owe \$4,000 in federal tax and have \$3,000 in qualified adoption expenses, your tax bill is reduced to \$1,000. If your tax bill is smaller than the credit, the unused portion of the credit may be carried forward up to five years.

Mom changes company policy on parental leave

When Caroline Mackenzie was preparing to adopt an eight-month-old boy from Russia, she checked out what parental leave her employer, Canadian Forest Products, offered.

She discovered that Canfor had no benefit for adoptive parents, but was generous enough to top up EI maternity benefits for 12 weeks, for "natural mothers" only.

The company was receptive to her barrage of emails and phone calls urging it to review its policy. It did, and now adoptive parents at Canfor—mothers and fathers—can also get the 12-week top-up.

Often all it takes to get your employer to change policy is a little education about

adoption. Caroline's main argument centred on the needs of a child. All children, regardless of how they join their family, need the same necessities of life, the same nurturing and time with parents. It was unfair to exclude adoptive parents just because they are infertile and have to adopt. —*Focus on Adoption*, AFABC, Oct/Nov 2003

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EMPLOYER ADOPTION BENEFITS
FROM FAMILY HELPER,
WWW.FAMILYHELPER.NET, FH 46 (2005)

Most Canadian universities offer some kind of adoption benefit. For example, York University employees get adoption leave with full salary and benefits for up to four weeks. UBC offers supplemental benefits: if a faculty member is getting EI parental leave, UBC will top up the EI payments to a total of 95% of salary.

Only a few Canadian companies offer benefits for employees who adopt. According to the Feb. 1, 2003 Toronto Star article "Paid adoption fees: a new company benefit idea", a Conference Board of Canada study in 2000 showed that only 5% of companies surveyed offered financial assistance for adoptions. A survey in 2002 by benefits consultant Hewitt Associates showed that figure had grown marginally to 6%, but that only 2% of companies expected to add adoption assistance to their benefits packages within three years.

EDS Canada is one company offering adoption assistance benefits. It will reimburse employees up to \$5,000 per child for adoption fees. While this benefit may seem generous, it isn't a serious burden on the company. Since EDS Canada began offering it in the mid-1990s, only about 20 employees out of a staff of 7,200 have used it.

The benefits picture is considerably brighter south of the border. Over one-third of U.S. companies now offer adoption benefits, compared with 12% a decade ago, according to Hewitt. Companies in Canada which do offer adoption benefits tend to be offshoots of American corporations, so check to see if your American parent company offers adoption benefits.

Is yours a family-friendly company?

Every year *Today's Parent* magazine, www.todaysparent.com, surveys 5,000 Canadian employers. It chooses the "Top 10 family-friendly employers", based on which has the best policies geared to working parents. Three of the top ten for 2004 had mentions of adoption assistance or parental leave benefits:

- **Ernst & Young**, Toronto (adoption assistance to \$5,000/child)
- **KPMG**, Toronto (adoption benefit, up to \$20,000/child; one-year parental leave for all new parents, including fathers and adoptive parents)
- **University Health Network**, Toronto (maternity/parental top-up—75% of salary for 25 weeks)

Lobby your employer for benefits

If your company doesn't offer adoption benefits now, you can advocate for them. Here are some resources to help you make your case, and a list of adoption-friendly companies:

- **Adoption Friendly Workplace**, www.adoptionfriendlyworkplace.org. 1-877-777-4222. Encourages employers to offer adoption benefits, and helps employees advocate for benefits in the workplace. Order the free "Adoption-Friendly Workplace Guide" (booklet and CD) by phoning or by sending the online form. Dave Thomas Foundation for Adoption (U.S.).
- **Employers That Offer Adoption Benefits**, www.adoptionfriendlyworkplace.org/employers.asp. Long list of public and private employers responding to a National Adoption Center survey, showing benefits: financial reimbursement, paid/unpaid leave, referrals.
- **How to Lobby Your Employer for Adoption Benefits**, www.adoptivefamilies.com/articles.php?aid=168. Article from *Adoptive Families* magazine, 2000.
- **Benefits Guides - Adoption Assistance**, www.benefitguides.com. For employers. Laws and regulations; model plans. Thompson Publishing, Washington DC.

What adoption benefits do U.S. companies offer?

Almost all U.S. employers offer benefits to new biological parents. A growing number also offer benefits to adoptive parents. In the 2004 Hewitt Associates survey of 936 major U.S. employers, 39% offered some kind of adoption benefit, with an average maximum reimbursement of \$3,879 for adoption expenses.

Adoptive Families magazine of Nov. 2004 reported that over 650 U.S. companies offer adoption benefits to employees. Assistance can include reimbursement (many companies offer \$5,000), paid or unpaid leave, and resources and referral information.

Companies offer such benefits because they see advantages in treating employees equitably, in building their loyalty and in generating good publicity.

Typically, employer-sponsored adoption benefits mirror benefits available to biological parents, and fall into three categories:

- **Information resources**, such as referrals to licensed adoption agencies and support groups; access to an adoption specialist to answer questions about the process; and advising on situations such as a special needs adoption.
- **Financial assistance**. Some employers provide a fixed payment for an adoption, usually \$1,000 to \$15,000. Other employers pay certain fees, or partially

reimburse employees for expenses. Typical reimbursement plans cover 80% of certain expenses, to a ceiling of \$4,000 on average. Some employers reimburse at a higher rate for adoptions of children with special needs.

- **Parental leave policies.** Some employers offer paid leave for adopting employees. Public and private union contracts often have provisions for adoption leave. U.S. federal law requires employers with 50 or more employees to offer both mothers and fathers up to 12 weeks of unpaid leave upon the birth or adoption of a child. Some employers give more than 12 weeks' leave: 6 months or a year. They may allow employees to combine accumulated paid leave (such as vacation leave) with unpaid leave, or use accumulated sick time as paid parental leave. Many States also require employers to offer parental leave to adoptive parents. —*National Adoption Information Clearinghouse*

ADOPTION EMPLOYMENT BENEFITS ADOPTION ROUNDUP, SUMMER 2008 (JOURNAL OF THE ADOPTION COUNCIL OF ONTARIO)

According to an article published by ctv.ca in July 2007, over the next three years, twice as many

Canadian companies are expected to provide adoption benefits to their employees.

In a survey conducted by Hewitt Associates, only seven per cent of Canadian companies currently offer adoption benefits. However, it is estimated that this number will have doubled to a figure of 14 per cent by 2009. 14 per cent, however, is still unacceptably low compared to the number of adoptive parents in Canadian society today.

Currently, more than one-third of companies in the U.S. offer their employees at least some benefits related to adoption. While Canadian companies have been slower to introduce these benefits than their US counterparts, there is a positive trend especially among companies with American parent companies or affiliates. These benefits vary from offering adoptive parental leave to topping up Employment Insurance (EI) payments and even adoption assistance reimbursement.

Companies are becoming increasingly willing to implement these benefits in their effort to please their employees, especially in an increasingly competitive labour market.

"Companies are looking at a whole range of programs that can help to make work-life balance a little easier for people," Hewitt said. "Be it on-site daycares, elder care support, or adoption benefits. Companies are looking for ways to keep their key employees happy at work."

If you are "waiting", now is the time to make a pitch to your employer to institute or improve your adoption benefits. If you have already completed your adoption, you can certainly remember that your employer undoubtedly could have provided more support with paid leave, adoption fee reimbursement, or both.

There are several arguments to make when approaching employers to improve the benefits provided to adoptive parents:

Establishing equity: Parents who choose to build their families through birth receive generous maternity benefits, including time off during which they continue to receive their salaries. It is inequitable and biased when an adoptive mother or father does not have access to the same financial support biological parents do.

Keeping pace with current benefit trends: The number of employers initiating paid leave time for adoptive parents has risen over the last few years. Instituting such benefits will give your company a competitive advantage when recruiting.

Low utilization rates: Less than 1/2 of 1% of any employee population will utilize adoption benefits during a year. Therefore, the goodwill it produces far outweighs the cost.

Building employee loyalty and productivity: Employee satisfaction contributes significantly to productivity. A renewed sense of loyalty and commitment results from employer support of adoption. Even employees who do not adopt are pleased that their employer has included the needs of adoptive parents in the work and family agenda.

Giving back to the community: Financial assistance and leave time are critical to the success of an adoption. By making it easier for employees to adopt, an employer acknowledges the importance of families to children. Employer support of adoption can make a critical difference for these children and for parents who wish to build their families through adoption.

The Adoption Council of Ontario encourages you to find out what your employer's benefit programs are and, if they are unequal, to request that they be made equal and fair.

If you would like help drafting a letter to your employer, or if you would like some reference material, please contact the ACO for more information: 416-482-0021.



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CANADA'S TOP EMPLOYERS AND ADOPTION BENEFITS

ADOPTION ROUNDUP: JOURNAL OF THE ADOPTION

COUNCIL OF ONTARIO, SUMMER 2007

It is difficult to conceive why new adoptive parents would not receive employee benefits equal to those biological parents enjoy. As every adoptive parent knows, the process of bringing children home for the first time, introducing them to their new home and establishing a strong parent-child bond, takes considerable time and work.

However, employers still don't offer new adoptive parents the same employee benefits as biological parents, particularly in respect to those employers that top up the Employment Insurance payments given by the Canadian government.

Luckily however, more organizations are now stepping up to contribute financial support to all new parents.

Take the Vancouver-based firm, Ecotrust. At Ecotrust, new parents, both adoptive and biological, receive between 55-80% top-up pay for up to six months when they take parental leave.

Some employers, such as Ernst & Young Canada, offer their employees one-time lump sums towards the cost of adoption. At Ernst and Young, the contribution is \$10,000.

Providing benefit packages like these speak volumes concerning a corporation's character and sense of social responsibility. As a firm proponent of corporate responsibility, my hat goes off to individuals such as Marie-Claire Seebohm of Ecotrust who brought up the issue of benefit parity and Ecotrust's then vice president who accepted the proposal.

It is unknown what percentage of Canadian firms offer similar benefit packages, although they would certainly be in the minority.

Every year, however, after considerable screening and competition, Canadian publisher Mediagroup releases a compendium of 100 top employers across Canada. While this single publication certainly cannot be used as a statistical sample of Canadian firms at large, these corporations are generally considered to be on the cutting edge in terms of innovation and progressive human resource policies.

Of Canada's top 100 employers in 2006, 36 firms top up parental benefits for adoptive parents. Nine of these firms offer money towards the cost of adoption.



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The fact that adoption benefits are now being included in the book is also a positive sign for the adoption community. It is hoped that this alone will alert other employers to the fact that they too could promote fairness and support adoption in the work place.

By Stephen Crosby, reprinted with permission from the Adoptive Families Association of BC. www.bcadoption.com

For a sample letter to send to your own employer, please contact the Adoption Council of Ontario (ACO) or visit the following website: www.adoptontario.ca.

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COST OF DOMESTIC ADOPTION IN 2005
FROM FAMILY HELPER,
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Public adoption

Government-funded adoption agencies, such as children's aid societies, usually provide services at no cost, so a domestic public adoption is essentially free. Moreover, when you adopt a child waiting in foster care you may qualify for a subsidy.

Private adoption

Domestic private adoptions are the domain of privately-funded, licensed agencies or licensees. They are non-profits whose fees and expenses are monitored by the provincial ministry responsible for adoptions.

The kinds of costs you would encounter with a private adoption include:

- Consultation meeting / registration fee.
- Homestudy, to assess your suitability as a parent.
- Adoptive parent counselling/educational seminars.
- Birth parent costs: meeting with birth mother, collecting her social history, counselling, travel expenses.
- Finalizing. Court documents; appearing in court.
- Disbursements. Travel, mileage, faxes, etc.
- Post-placement report. Social worker visits the home, reports on how the child is adjusting.

To survey the cost of private adoption in Canada, I visited the web sites of domestic adoption agencies. (See "Adoption Resource Central - Agencies", www.familyhelper.net/arc/agy.html.) Some agencies don't mention costs online, but for those which do, below is a summary. You can find itemized costs at some sites. For example, see the detailed fee schedule for Jewels For Jesus Adoption Agency, jewelsforjesus.net/AdoptionKit.htm.

Judging by these examples, a private adoption would cost from \$7,300 to \$18,000. A homestudy would cost from \$1,200 to \$1,800.



Hope Adoption Services, Abbotsford BC

www.hopeadopt.org/feeschedules.htm

Preparation and approval process \$3,000
Planning and pre-placement \$2,800
Placement and post-placement \$5,300
Total \$11,100

Adoption By Choice, Calgary AB

www.adoptionbychoice.ab.ca

An agency adoption is about \$7,300.

Adoption Options, Calgary AB

www.adoptionoptions.com

Domestic adoption cost: \$7,500 (including application fee \$800, homestudy \$1,200, seminar fee \$800, preplacement counselling (for adoptive parents) \$800, birthparent counselling \$1,300, placement fee \$2,600 (includes post-placement visits, preparing and filing final documents))

Adoption Agency and Counselling Service, Markham ON

www.aacsontario.com

Cost of Ontario adoption: \$9,000-\$13,000 plus 7% GST

Beginnings, Hamilton ON

www.beginnings.ca/adopt.html

Average cost is generally around \$12,000

Jewels For Jesus, Mississauga ON

jewelsforjesus.net

Average adoption cost \$10,000-\$18,000, plus homestudy fee \$1,500

Private Adoption Services, Ottawa ON

www.privateadoptionsservices.com

Home study \$1,800
Home study update \$100/hour
Birth parent meetings \$100/hour
Review of child proposals \$100



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COST OF RAISING A CHILD TO AGE 18 IN 2005
FROM FAMILY HELPER,
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Have you ever wondered how much it costs to raise a child? I did, and with some Google searching I was able to turn up a seemingly reliable source: the U.S. Department of Agriculture.

Every year USDA calculates annual child-rearing expenses (to set the level of state child support and foster care payments). The results are in Expenditures on Children by Families, www.usda.gov/cnpp/Crc/crc2004.pdf.

For the whole United States in 2004, USDA estimated child-rearing expenses at between \$9,840 and \$10,900 for a child in a two-child, married-couple family in the middle-income group. That's per year, for children from birth through age 17. (It's an average over 18 years; actual spending per year would start lower and go higher as the child aged.)

Let's call it \$10,370 a year and multiply by 18: total spending would be US\$186,660 or about Can\$236,000. This number might be a bit lower in Canada, allowing for universal health care, for example, but it would still put the lifetime cost of a raising one child close to \$200,000 (not including a university education).

All that puts the apparently high cost of international adoption in perspective. An average adoption from abroad costs \$20,000, one-tenth the lifetime cost.

How much should the question of money enter into your decision-making? Talking about one aspect of international adoption, I point out in **Canadian Guide to Intercountry Adoption**, www.familyhelper.net/ad/adguide.html, that it's hardly logical to use cost as the determining factor when choosing an adoption agency, or a country to adopt from. Would you choose one agency over another because it charged \$1,000 less? I don't think so. Other factors are far more important, and I discuss them in the *Guide*.



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