

# Beyond The Basics: What Canadian Employees Really Want From Benefits (And What You Legally Owe Them)



Let's be honest, when most people hear "benefits," their eyes glaze over. They think of paperwork, deduction codes, or a tiny HR booklet no one reads until they need a root canal. But benefits are more than fine print – they're one of the biggest signals an employer can send about how much they value their people.

In Canada, there's a clear split in the world of employee benefits: what you **have** to provide (statutory) and what you **choose** to provide (voluntary). But just because something isn't legally required doesn't mean you can skip it without consequences.

This article will break down the difference, show you where the laws vary by province, and help you understand why voluntary benefits are no longer just "nice to have" – they're expected. We'll also cover how to balance legal compliance with competitive edge, all while keeping your budget intact and your people happy.

## **Statutory Benefits: The Must-Haves**

Statutory benefits are non-negotiable. These are the benefits you're legally obligated to provide under federal and provincial or territorial employment laws.

This includes things like:

- **Paid vacation and public holidays.**
- **Employment Insurance (EI).**
- **Canada Pension Plan (CPP) or Québec Pension Plan (QPP) contributions.**
- **Workers' compensation coverage.**
- **Statutory leaves** (parental, maternity, sick, bereavement, etc.).
- **Health care through public insurance (provincial).**

Think of statutory benefits as the legal foundation of your employment relationship. They protect your employees' rights and they protect you from lawsuits, fines, and regulatory nightmares.

But here's the kicker: while the federal government handles some of these (like EI and CPP), most workplace standards come from provinces and territories. That means if

your company operates in more than one province, your HR team needs to keep track of more than one set of rules.

### **Voluntary Benefits: The Good-to-Haves That Are Becoming Must-Haves**

Voluntary benefits, on the other hand, are where things get creative. These are not required by law but they matter more than ever in today's competitive job market.

They include:

- Extended health and dental plans.
- Life insurance and disability insurance.
- Mental health supports and EAPs.
- RRSP matching or other retirement plans.
- Wellness allowances (for gyms, therapy, or meditation apps).
- Paid days off beyond legal minimums.

They're called "voluntary," but in reality, many employees expect them – especially in professional, tech, unionized, or younger-skewing workplaces. Skimping on voluntary benefits might save money in the short term, but it can cost you dearly in turnover, disengagement, and a bad reputation on Glassdoor.

### **Why the Difference Matters (And Why You Should Care About Both)**

So why does it matter if a benefit is voluntary or statutory?

- **Because the consequences are different.** If you mess up a statutory benefit – like shortchanging someone on paid vacation – you could face legal penalties or labour board complaints. If you botch a voluntary benefit, you might not get fined, but you will lose the trust of your team. Both are bad.
- **Because they cost differently.** Statutory benefits are tied to payroll and employment duration. Voluntary benefits are flexible – you can scale them, top them up, or offer different tiers.
- **Because they send different signals.** Statutory benefits say, "We follow the law." Voluntary benefits say, "We care about you as a person."

One keeps you out of trouble. The other sets you apart.

### **Statutory Benefit Differences Across Canada**

While federal programs like EI and CPP apply nationally, provincial and territorial laws define many of the day-to-day statutory benefits. Below is a breakdown of key differences across jurisdictions:

<b>Province/Territory</b>	<b>Vacation Entitlement</b>	<b>Paid Holidays</b>	<b>Paid Sick Days</b>	<b>Parental Leave (Combined)</b>	<b>Workers' Comp Coverage</b>
<b>Federal (e.g. banks, airlines)</b>	2–4 weeks (based on tenure)	10	10 days (first 3 paid)	63 weeks	Yes
<b>Alberta</b>	2–3 weeks (after 5 yrs)	9	None required by law	Up to 62 weeks	Yes
<b>British Columbia</b>	2–3 weeks (after 5 yrs)	10	5 paid + 3 unpaid	Up to 62 weeks	Yes
<b>Ontario</b>	2–3 weeks (after 5 yrs)	9	3 paid + 8 unpaid	Up to 61 weeks	Yes

Province/Territory	Vacation Entitlement	Paid Holidays	Paid Sick Days	Parental Leave (Combined)	Workers' Comp Coverage
Québec	2–3 weeks (after 5 yrs)	8	2 paid + 3 unpaid	Up to 65 weeks	Yes (via CNESST)
Manitoba	2–3 weeks (after 5 yrs)	8	3 unpaid	Up to 63 weeks	Yes
Nova Scotia	2–3 weeks (after 8 yrs)	6	3 unpaid	Up to 77 weeks	Yes
Newfoundland & Labrador	2–3 weeks (after 15 yrs)	6	7 unpaid	Up to 63 weeks	Yes
New Brunswick	2 weeks	7	5 unpaid	Up to 62 weeks	Yes
Prince Edward Island	2–3 weeks (after 8 yrs)	7	1 paid sick day	Up to 63 weeks	Yes
Saskatchewan	3 weeks (from year 1)	10	None	Up to 78 weeks	Yes
Yukon	2–3 weeks (after 5–6 yrs)	10	None	Up to 61 weeks	Yes
Northwest Territories	2–3 weeks (after 5–6 yrs)	10	None	Up to 61 weeks	Yes
Nunavut	2–3 weeks (after 5–6 yrs)	10	None	Up to 61 weeks	Yes

**Key Takeaway:** Statutory benefits in Canada are generous by global standards, but they vary, and your HR team must adjust policies based on location.

### Why Voluntary Benefits Are the New Battleground

Today's employees care deeply about how their workplace supports them *outside* of work. Benefits that support mental health, work-life balance, and financial well-being are no longer extras, they're expectations.

Here are the most sought-after voluntary benefits Canadian workers want in 2025:

#### 1. Health & Dental Coverage

Canada has public healthcare, but it doesn't cover everything. Prescription drugs, dental care, vision care, physiotherapy... all of that often falls under employer plans. For many families, this coverage is make-or-break.

#### 2. Mental Health Benefits

Post-pandemic burnout hasn't gone away. Access to therapy, mental health apps, and confidential employee assistance programs (EAPs) are now standard in many industries.

#### 3. RRSP Matching & Pensions

Younger workers are thinking about retirement earlier, especially in an inflationary economy. Offering even modest RRSP matching (2–5%) can be a major differentiator.

#### 4. Flexible Time Off

Offering personal days, mental health days, or a few extra vacation days can improve productivity and reduce burnout. It's not about time off—it's about showing trust.

#### 5. Family-Friendly Policies

Parental leave top-ups, fertility support, caregiving leave, and childcare stipends are all on the rise. These say: “We value your life outside of work.”

## **How to Build a Competitive Benefits Strategy Without Breaking the Bank**

Not every company can afford platinum-level plans. That’s okay. What matters most is that your benefits are:

- **Relevant:** Fit the needs of your actual workforce.
- **Transparent:** Easy to understand and access.
- **Consistent:** Applied fairly and without exceptions.
- **Flexible:** Give employees some choice or personalization.

Here are three ways smart Canadian companies are doing more with less:

1. **Offer a Benefits Menu:** Give employees options (e.g., enhanced dental OR extra personal days).
2. **Use Wellness Allowances:** Offer \$500/year employees can spend on anything from therapy to gym memberships.
3. **Start Small, Scale Up:** Launch basic coverage first, then revisit benefits annually with employee feedback.

## **Final Thoughts: What Benefits Say About Your Business**

Benefits aren’t just compensation. They’re communication. They tell your people what matters to you and what they can expect in return for their hard work.

In Canada, statutory benefits are the law. But voluntary benefits are where culture lives. They’re how you show you care. They’re how you compete. And they’re how you build a workplace people *want* to stay in.

Whether you’re designing your first plan or revisiting an old one, don’t just ask: “What do we have to do?” Ask: “What do our people need?”

Because when your benefits strategy reflects the real lives of your employees, everyone benefits.