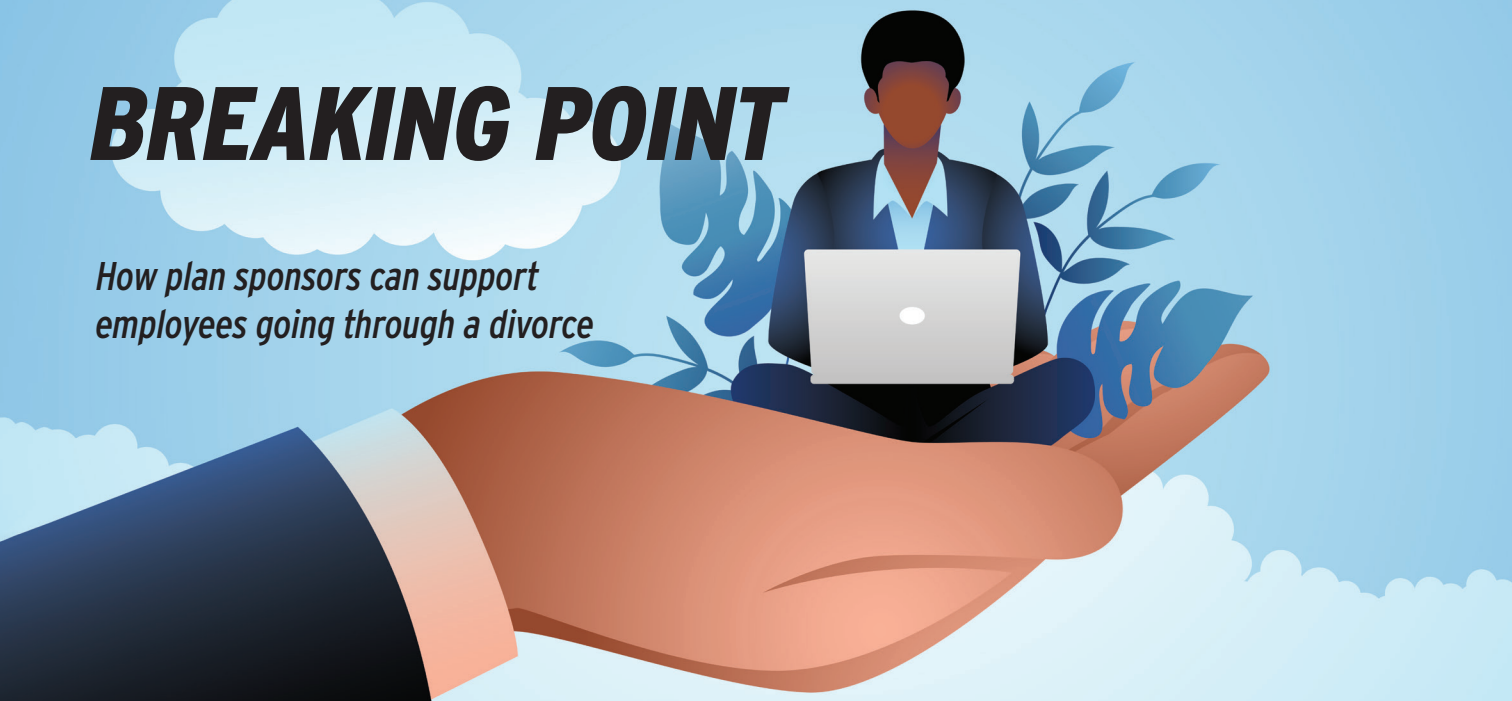


BREAKING POINT

How plan sponsors can support employees going through a divorce



BY KELSEY ROLFE

Going through a divorce can be an extremely stressful and emotional experience and, unsurprisingly, the impacts can spill into the workplace.

“[Employees may be] at work but waiting for that text from the lawyer — they’re distracted on what they’re going to do next in the proceedings,” says Brent Dul, executive vice-president at Randstad Canada. “What’s important is that organizations provide psychological safety and encourage authenticity.”

Employees in the midst of a divorce are more likely to experience poor health and job performance, according to a 2022 survey by the University of Minnesota’s Carlson School of Management. The survey, which polled more than 500 employees, found nearly half (44 per cent) of respondents who were in the process of divorcing their spouse agreed or strongly agreed it negatively impacted their work.

Canada’s divorce rate was 5.6 per 1,000 married people in 2020, its lowest point since 1973, according to a report by Statistics Canada. However, the length of divorce proceedings increased to a median of 5.8 months in 2020, up from 5.2 months in 2015.

A workplace culture that’s supportive of mental health can encourage employees to come forward about what’s going on in their life, says Kiljon Shukullari, human resources advisory manager at Peninsula Employment Services Ltd., adding that managers can gently broach the topic if they sense someone on their team isn’t doing well.

“Start from the clues you get: ‘I’ve been noticing you’re coming in late, I haven’t seen you as engaged, is there anything you want to share?’ Those first conversations will set the tone, in terms of [indicating] we’re here to help and [showing] that supportive side.”

Managers can also direct employees toward mental-health counselling available through their employee assistance program or through practitioner coverage under their benefits plan. EAPs also include other resources that can help employees through the divorce, such as introductory legal counselling and financial planning assistance, says Dul.

“There’s a lack of familiarity in terms of all the services these EAPs can provide. If you’re in the midst of a separation or even thinking you might be going into a separation and are not sure how to make ends meet, that’s something you can leverage to prepare yourself.”

Divorce can have a significant financial impact — as each former partner adjusts to living on a single income — and it often delays financial goals. In the longer term, women face a disproportionate financial impact. A Canada Life Assurance Co. study of women going through divorce found those who worked with a financial advisor were significantly more likely to feel their settlement was equitable and they were better able to prioritize long-term financial goals after the divorce.

BY THE NUMBERS

44% – The percentage of divorcing employees who felt their divorce negatively impacted their work

39% – The percentage of employees who felt divorce had a positive impact on their work

5.6 – The number of divorces per 1,000 married couples in Canada in 2020

5.8 – The median length, in months, of divorce proceedings in Canada in 2020

Sources: *The University of Minnesota, Statistics Canada*

During a divorce, it's important for employers to allow employees to work different hours or remotely, says Shukullari, adding that employees with children may require flexibility in the weeks or months after the divorce to seek or adjust to new child-care arrangements. They can also encourage employees to make use of sick or personal days, says Dul.

Divorce can also impact employees' benefits and pension plans. Plan members may need to update their benefits coverage to cease covering their former spouse or add supplemental coverage for their children.

Several Canadian provinces consider pensions to be family property, entitling an employee's former spouse to up to 50 per cent of pension benefits accrued during the marriage.

Unless the employee negotiates a settlement that excludes their pension, they'll need to reach out to their plan's administrator to update their spousal status, get the family law value of their pension for the equalization process and share a copy of

their separation agreement so their former spouse can receive a lump-sum benefit.

While the process is often difficult, the University of Minnesota's survey found employees' engagement, job performance and health largely improved a year after their divorce.

When supporting an employee who's going through a divorce, it's important for employers to take a long-term view, says Dul. "[Employers should] provide an environment where employees can speak to leaders comfortably and [their] employer [is] sincerely supportive — if you help someone through a challenging time, you're probably going to see stronger retention rates. People realize that perhaps there's another opportunity out there, but when you hit a rocky patch, your employer is one that's going to support you."

Kelsey Rolfe is a Toronto-based freelance writer.