



**Australian Government**

**Paid Parental Leave scheme**

**Information and Communication Background for Intermediaries  
(Employers)**

## **Introducing Australia's first national Paid Parental Leave scheme - what employers need to know.**

- The Australian Government has introduced a new government-funded Paid Parental Leave scheme.
- The scheme helps parents balance work and family responsibilities, and assists employers retain valuable and skilled employees.
- The scheme started on 1 January 2011 for eligible parents of children born or adopted from 1 January 2011.
- Eligible working parents will receive taxable Parental Leave Pay at the National Minimum Wage (\$570 a week before tax), for a maximum of 18 weeks.
- The role of employers is being phased in to help employers transition to the new arrangements.
- From 1 July 2011, you will be responsible for providing Parental Leave Pay to an eligible employee who:
  - has a child born or adopted from 1 July 2011
  - will have been your employee for 12 months or more prior to the expected date of birth or adoption
  - will be your employee for the period of their Parental Leave Pay
  - is an Australian-based employee, and
  - is expected to receive eight weeks or more of Parental Leave Pay.
- If you are not responsible for providing Parental Leave Pay, you can still choose to provide it to an eligible employee. You and your employee must agree for this to happen.
- You can prepare for the scheme, by registering for Centrelink Business Online Services at any time. Once registered, you can opt in to provide Parental Leave Pay to eligible employees if you wish.
- The Family Assistance Office will provide Parental Leave Pay to an eligible parent who does not receive it from their employer. This includes parents who are contractors, self-employed or no longer employees.
- You do not need to work out if your employee is eligible. The Family Assistance Office will assess whether your employees are eligible for Parental Leave Pay.
- If you are responsible for providing Parental Leave Pay to an employee Centrelink will notify you. Centrelink will also provide the required funds to you before you need to provide Parental Leave Pay to your employee. You can choose to receive the funds in nine fortnightly instalments or three six-weekly instalments.
- You do not have to change your employee's usual pay cycle, set up any special bank accounts or report back to Centrelink. You will need to provide the Parental Leave Pay to your employee according to their normal pay cycle and withhold tax under the usual arrangements.
- You do not have to pay superannuation on Parental Leave Pay. Parental Leave Pay will need to be quarantined from other amounts that attract a superannuation guarantee liability.
- Parental Leave Pay will not be subject to payroll tax or give rise to additional workers compensation premium liabilities.
- Any reasonable costs incurred by employers in administering the scheme will be tax deductible, under the usual taxation arrangements.
- Parents can lodge a claim for the Paid Parental Leave scheme up to three months before the expected birth or adoption, either online or at their local Family Assistance Office. Applying early will allow time for arrangements to be made so that payments can start on time. Your employee may approach you to discuss their leave intentions before they lodge their Parental Leave Pay claim.
- Parents can nominate when they wish to receive their Parental Leave Pay. The pay must be taken in one continuous period. It can start at any time from the date of birth or adoption and it must all be taken within the first 12 months after the birth or adoption. Eligible employees may receive Parental Leave Pay before,

after, or at the same time as employer-provided paid leave such as recreational or annual leave and employer-provided paid and unpaid parental leave.

- Full-time, part-time, casual, seasonal, contract and self-employed workers may be eligible to receive Parental Leave Pay.
- Your employees may be eligible for Paid Parental Leave if they:
  - are the primary carer of a newborn child or recently adopted child
  - have met the Paid Parental Leave work test before the birth or adoption occurs
  - have received an income of \$150,000 or less in the previous financial year (individual income)
  - are an Australian resident, and
  - are on leave or not working from the time they become the child's primary carer.
- The birth mother or initial primary carer of a recently adopted child must usually apply for Paid Parental Leave, unless there are exceptional circumstances.
- To receive Parental Leave Pay, the parent must not work from the time they become the child's primary carer until the end of their Paid Parental Leave period. If the parent decides to return to work early, their Parental Leave Pay will stop. The unused part of their Parental Leave Pay may be transferred to their partner if the partner meets the scheme's eligibility criteria and claims the unused Parental Leave Pay.
- The Paid Parental Leave scheme does not provide a leave entitlement. The scheme provides parents with Parental Leave Pay, which they can decide how to combine with paid and unpaid leave provided by their employer, such as unpaid parental leave under the [National Employment Standards](#).
- More information about the Paid Parental Leave scheme, including an [Employer Toolkit](#), is available from [www.centrelink.gov.au](http://www.centrelink.gov.au) or calling the Centrelink Business Hotline on 13 11 58.
- More information about employment entitlements and workplace obligations is available from [www.fairwork.gov.au](http://www.fairwork.gov.au) or calling 13 13 94.

Australia's first national Paid Parental Leave scheme started on 1 January 2011. It's a new entitlement for working parents funded by the Government. Legislation for the scheme came into force in July 2010. This information kit supports the Paid Parental Leave scheme.

The Australian Government delivered Australia's first national Paid Parental Leave scheme on 1 January 2011.

The Paid Parental Leave scheme provides Parental Leave Pay, which:

- is funded by the Australian Government
- is, in most cases, for mothers who have been working before the birth of their child
- can be transferred to the other eligible parent, if they are eligible, but must be claimed initially by the mother
- is paid at the National Minimum Wage – currently \$570 a week before tax
- lasts for up to 18 weeks
- can be taken in a continuous period, any time in the first year after the birth of a child
- is also available to adoptive parents.

The Paid Parental Leave scheme gives parents support to spend time at home with a new child, helping them maintain their connection with their job and help employers retain valuable and skilled staff.

The Government's Parental Leave Pay can be taken in addition to existing employer-funded schemes. Eligible employees can receive Parental Leave Pay before, after, or at the same time as employer-provided paid leave such as annual leave and employer-provided paid and unpaid parental leave.

Key milestones of the Paid Parental Leave scheme are:

- |                        |  |
|------------------------|--|
| <b>1 October 2010:</b> | Employers can register with Centrelink Business Online Services, and opt-in if they wish, to provide Parental Leave Pay to your employees  |
| <b>1 January 2011:</b> | Payments start for eligible parents of children born or adopted from 1 January 2011.   |
| <b>1 April 2011:</b>   | First claims for Parental Leave Pay can be lodged for children due to be born or adopted from 1 July 2011. The first decisions will be made from this date for employers to provide Parental Leave Pay to their eligible long-term employees from 1 July 2011. |
| <b>1 July 2011:</b>    | Employers will be responsible for providing Parental Leave Pay to their long term employees for children born or adopted from 1 July 2011  |

### **What role will employers play in this scheme?**

Your role is being phased in to help you transition to the new arrangements and align with the start of the financial year.

- Centrelink will ensure that you have the required funds available before you need to provide Parental Leave Pay to your employee. You can choose to be funded fortnightly or in three six-weekly instalments.
- You do not have to decide whether your employee is eligible. This will be done by the Family Assistance Office.

- You do not have to change your employee’s usual pay cycle, set-up any special bank accounts or report back to Centrelink. You will need to provide the Parental Leave Pay to your employee according to their normal pay cycle and withhold tax under the usual tax arrangements.
- More detail on your role as an employer can be found in the [Employer Toolkit](#) at [www.centrelink.gov.au](http://www.centrelink.gov.au)

## Communication materials

To assist you in handling ongoing enquiries, the Australian Government has developed a brochure “*Paid Parental Leave: What employers need to know*”.

An electronic copy of the brochure is available to download from [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave) or can be emailed upon request. Printed copies of the brochure can be ordered by phoning Kate Wallman or Claudia Tyral at Horizon Communication Group on (02) 8572 5600.

A factsheet on ‘Talking to your employee’ is available to download from [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave) and an [Employer Toolkit](#) is also available.

You should also note that a brochure for parents has been developed. The brochure is called “*If you’re a working parent expecting a child, there’s something else you can expect*” and is available at [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave)

Further resources for employers can be found at [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave)

**What about employer-provided entitlements?**  
The Government's Paid Parental Leave scheme will help employers enhance the family friendly workplace conditions many already offer.  
Paid Parental Leave pay is provided in addition to existing employer-funded paid parental leave schemes. The existing minimum entitlement to 12 months unpaid parental leave for long-term employees is unchanged.  
Eligible parents can receive Parental Leave pay at the same time, before or after other employer-provided paid leave or entitlements.

**What do employees need to do?**  
Employees can apply to the Family Assistance Office up to three months before the expected birth or adoption. Employees are encouraged to apply early.

**Paid Parental Leave**  
18 weeks  
Fully Govt Funded

**Where do I find out more?**  
To learn more about Paid Parental Leave:  
[www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave)

Employers 13 11 58  
Parents 13 61 50

**Paid Parental Leave**  
A new entitlement for working parents

**Paid Parental Leave: What employers need to know**

Fully Govt Funded  
Paid Parental Leave  
18 weeks

**Paid Parental Leave**  
A new entitlement for working parents

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## Website and linkage guidelines -

Website information has also been developed to communicate the information in the brochure. This information can be viewed at [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave).

By including a link on your website to [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave), you will be helping employers and employees find the information that's right for them. We can provide a graphic that will help attract your web visitors' attention to the information on offer (see below for example).



You may wish to upload this graphic in combination with the explanation below, to help your website visitors understand what they will see when they click through to the link.

Australia's first national Paid Parental Leave scheme started on 1 January 2011. It gives working parents financial support to spend more time at home with their new baby and help employers retain valuable and skilled staff. Visit [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave) for more information.

## YouTube Clip

In addition to the website and linkage guidelines a YouTube clip has been developed to communicate and share the information via a viral platform. This information can be viewed at <http://www.youtube.com/watch?v=y9tll7vHgVc>.

You may wish to circulate the above link in combination with the explanation above, to help relevant organisations understand what they will see when viewing the clip.

## Newsletter/email article template

The following article has been designed to give organisations and individuals an overview of the free materials available to help manage ongoing enquiries around the Paid Parental Leave scheme.

Please feel free to circulate this amongst your colleagues and contacts, to ensure that as many people in your organisation as possible are aware of the support resources on offer. If you have a large network of staff, advisors or state/regional offices, you may find it useful to reproduce this article in your internal newsletters, magazines or email updates, so that they can lodge their own orders for the materials.

**NB: No details in the article below can be amended without express permission from FaHCSIA or its representatives.**

### Example 1: Internal Communication

#### Australia's Paid Parental Leave scheme

Australia's first national Paid Parental Leave scheme started on 1 January 2011. It's a new entitlement for working parents funded by the Government. Legislation for the scheme came into force in July 2010.

Employers may have queries and requests for advice about the scheme. To help support you and ensure you have access to the latest resources, the Government has developed materials for your reference.

The brochures "*Paid Parental Leave: What employers need to know*" and "*If you're a working parent expecting a child, there's something else you can expect*" can be distributed electronically (via websites, intranets or e-newsletters), or be offered free to interested members of the public – for example in reception areas or on notice boards.

If you would like to request a bulk order of brochures, please contact Kate Wallman or Claudia Tyrall at Horizon Communication Group on (02) 8572 5600.

Employers and employees can contact 1800 050 009 for individual publication requests, or you can refer them to the website, [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave) for further information.

## Example 2: External Communication

### Australia's Paid Parental Leave scheme

Australia's first national Paid Parental Leave scheme started on 1 January 2011. It's a new entitlement for working parents funded by the Government. Legislation for the scheme came into force in July 2010.

To help support you and ensure you have access to the latest resources, the Australian Government has developed materials for your reference.

Hard copies of the brochures "*Paid Parental Leave: What employers need to know*" and "*If you're a working parent expecting a child, there's something else you can expect*" can be ordered by calling 1800 050 009, or you can visit the website, [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave) for further information.

## Suggested distribution methods for these materials

The following are some ideas on how to use these materials to help build awareness of the changes among staff and the community:

- Highlight the availability of the free resources in your organisation's internal newsletter/intranet/regular mail outs and emails
- Link to the brochure and website [www.australia.gov.au](http://www.australia.gov.au) from your website. The brochure is located at [www.australia.gov.au](http://www.australia.gov.au)
- Display the brochure in your staff and public areas, to help spread the word about the Paid Parental Leave scheme
- Ask to receive future press releases relating to the Paid Parental Leave scheme, which you can then send on to your colleagues or use as story ideas on your websites, magazines and other communication updates. You can be added to this e-mail mailing list at any time, by contacting Claudia Tyrall on the number below.

## Where can people find out more?

For more information about the Paid Parental Leave scheme visit [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave) or download the [Employer Toolkit](#).

## Further Information

For further information regarding anything included in this kit, please contact Kate Wallman or Claudia Tyrall at Horizon Communication Group on (02) 8572 5600.



## **Paid Parental Leave scheme Frequently Asked Questions (FAQs)**

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### **General FAQs about the Paid Parental Leave scheme**

Australia's first national Paid Parental Leave scheme started on 1 January 2011. It's a new entitlement for working parents funded by the Government. Legislation for the scheme came into force in July 2010.

#### **Q: What is the Paid Parental Leave scheme?**

The Paid Parental Leave scheme provides Parental Leave Pay, which:

- is funded by the Australian Government
- is, in most cases, for mothers who have been working before the birth or adoption of their child
- can be transferred to the other parent
- is paid at the National Minimum Wage – currently \$570 a week before tax
- lasts up to 18 weeks
- can be taken any time in the first year after birth
- is also available to adoptive parents.

#### **Q: What are the benefits of a Government-funded Paid Parental Leave scheme?**

The Paid Parental Leave scheme is designed to give more parents financial support to spend time at home with a new baby, help them maintain their connection with their job and help employers retain valuable and skilled staff.

The scheme is designed to boost participation and productivity and, at the same time, support parents to balance work and family responsibilities.

Parental Leave Pay is funded by the Australian Government. Eligible employees may receive Parental Leave Pay before, after, or at the same time as employer-provided paid leave such as recreational or annual leave and employer-provided paid and unpaid parental leave.

The Paid Parental Leave scheme is designed to help employers enhance the family friendly workplace conditions many already offer.

#### **Q: Who is eligible for the scheme?**

Mothers of babies born from 1 January 2011 may be eligible for Parental Leave Pay. The initial primary carer of a child adopted from 1 January 2011 may also be eligible.

A parent may be eligible for Parental Leave Pay if they:

- are the mother of a newborn child or the initial primary carer of a recently adopted child; and
- are living in Australia and are an Australian citizen or permanent resident, and
- have met the Paid Parental Leave work test before the birth or adoption occurs; and
- have an individual income of \$150,000 a year or less, and
- are on leave or not working from the time they become the child's primary carer until the end of the Paid Parental Leave period.

Parents may be eligible even if they are no longer employed, employers will not be responsible for providing Parental Leave Pay in these circumstances (the Family Assistance Office will provide Parental Leave Pay to these parents).

#### **Q: What is the work test?**

Decisions that people make now about work could affect their eligibility for the Paid Parental Leave scheme.

A person meets the Paid Parental Leave work test if they have:

- worked for at least 10 of the 13 months prior to the birth or adoption of your child; and
- worked at least 330 hours in that 10 month period (just over one day per week) with no more than an eight week gap between two consecutive working days.

A working day is a day on which a person worked for at least one hour.

#### **Q: Does the scheme cover all people who work?**

Parents may be eligible for the scheme if they:

- are full-time, part-time, casual or seasonal workers
- have multiple employers
- are a contractor or self-employed
- have recently changed jobs, or
- are between jobs, and
- meet the Paid Parental Leave work test and other eligibility criteria.

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## **Employer specific FAQs about the Paid Parental Leave scheme**

### **Q: Will I have to fund Parental Leave Pay for my employees?**

No. Parental Leave Pay will be funded by the Australian Government.

### **Q: What will be the role of employers?**

Once the scheme is fully implemented, you will be required to provide the Government-funded Parental Leave Pay to your long-term employees. This role is being phased in over the first six months from 1 January 2011 to help you transition to the new arrangements and align with the start of the financial year.

For children born or adopted from 1 July 2011, you will be required to provide Parental Leave Pay to your eligible long-term employees – people who you have employed for 12 months or more prior to the expected date of birth. However, you can choose to provide Parental Leave Pay to your employees from the beginning of the scheme for children born or adopted from 1 January to 30 June 2011.

Receiving Government-funded Parental Leave Pay from their employers will assist women to maintain their attachment to the workplace. This means employers can retain skilled and valuable staff.

### **Q: When will my role commence?**

The role of employers in the scheme is being phased in. From 1 July 2011 you will generally be required to provide Parental Leave Pay to your eligible employees who have worked with you for at least 12 months prior to the birth or adoption. If you are not required to provide Parental Leave Pay to an eligible employee, you can still choose to do so.

You can prepare for the scheme, by registering for Centrelink Business Online Services at any time. Once registered, you can opt in to provide Parental Leave Pay to eligible employees if you wish.

### **Q: Will I have to work out if my employee is eligible?**

No. You do not have to work out if your employee is eligible. This will be done by the Family Assistance Office. Centrelink will contact you if you are required to provide Parental Leave Pay to your employee.

### **Q: Will I be required to provide Parental Leave Pay to all employees?**

No. You will only be required to provide Parental Leave Pay to your eligible employees who have a baby or adopt a child from 1 July 2011 and who:

- will have been your employee for 12 months or more prior to the expected date of the birth or adoption; and
- will be one of your employees for the Paid Parental Leave period; and
- is an Australian-based employee, and
- is expected to receive eight weeks or more of Parental Leave Pay.

You will not be required to provide Parental Leave Pay to employees who are expected to receive less than eight weeks of Parental Leave Pay, for example, where a father may be taking the unused portion (of less than eight weeks) of a mother's unused Parental Leave Pay.

Centrelink will contact you if you are required to provide Parental Leave Pay to one of your employees. Other employees will receive their Parental Leave Pay from the Family Assistance Office.

There are benefits to employers in providing Parental Leave Pay. You can choose to provide Parental Leave Pay to any or all your eligible employees for children born or adopted before 1 July 2011. For children born or adopted from 1 July 2011, you can choose to provide Parental Leave Pay to eligible employees with less than

12 months service or who are to receive less than eight weeks of pay should you and your employee agree to this arrangement.

Decisions about your role in providing Parental Leave Pay to eligible employees who have or adopted a child from 1 July 2011 can be made from as early as 1 April 2011 when these employees can start lodging claims.

**Q: How will I get the funds to pay my employees?**

Centrelink will ensure that you have the required funds before you need to provide Parental Leave Pay to your employee. You can choose to be funded fortnightly or in three six-weekly instalments.

**Q: Will I have to alter all my employee's pay cycles to adjust to the Paid Parental Leave scheme?**

No. You do not have to change your employee's usual pay cycle, set-up any special bank accounts or report back to Centrelink. You just have to provide the Parental Leave Pay to your employee with the usual PAYG tax deducted.

**Q: Will my employee be able to continue to work while receiving Parental Leave Pay?**

No. Employees can not work while receiving Parental Leave Pay, but may engage with the workplace under the scheme's [Keeping in Touch](#) provisions.

**Q: Where can I get further information?**

For more information go to [www.australia.gov.au/paidparentalleave](http://www.australia.gov.au/paidparentalleave) or download the [Employer Toolkit](#).