

## PAID PARENTAL LEAVE



From 1 January 2011, Australia will have its first national Paid Parental Leave scheme in place.

The entitlement is fully Government-funded and provides eligible employees 18 weeks of Parental Leave Pay at the National Minimum Wage, which is currently \$570.00 a week before tax.

This is a national scheme so it applies to employers in both the state and the federal systems.

A full explanation of how this new scheme will be administered and what it means for employees and employers alike is available direct from the Family Assistance Office website, or of course you can contact Workwise for information and assistance.

Information from the Department of Families, Housing, Community Services and Indigenous Affairs, explains that:

- The scheme provides Parental Leave Pay (PLP) to parents mothers and other primary carers, including adoptive parents, who have been in the paid workforce and who have a baby or adopt a child on or after 1 January 2011.
- PLP will be a legal entitlement for working parents who meet the scheme's eligibility criteria. To be eligible for the scheme, claimants will need to pass a work history test, an income test and a residency test.
- PLP is not a leave entitlement, but will complement employees' entitlement to leave, such as the minimum entitlement to 12 months unpaid parental leave under the National Employment Standards for em-

ployees who have completed 12 months continuous service with their employer immediately before the expected date of birth or adoption.

- The Leave is taxable and recipients will usually be paid in arrears, it must also be taken over one continuous period of up to 18 weeks.
- Parents will be required to lodge their claim with the Family Assistance Office. Claims can be lodged up to 3-months prior to the expected date of the birth or adoption. The first claims for Paid parental Leave can be lodged with the Family Assistance Office from 1 October 2010.
- The Family Assistance Office will advise an employer if they are required to pay an employee Parental Leave Pay.
- The Family Assistance Office will usually advance the employer the Paid Parental Leave funding amounts and will advise the employer of the employer's rights and obligations.
- Employers will withhold PAYG amounts and provide PLP to the employee in accordance with the employee's usual pay cycle.
- If a person returns to work before they have received all of their 18 weeks of PLP, the person's PLP will stop. In these cases, the person's partner may be able to receive the unused amount of PLP.

For further information on what you, as an employer need to do (or not need to do), contact your nearest Workwise representative.

**Special**

### Time & Wages Audit

Are you concerned about your pay rates or obligations regarding Time and Wages Record-keeping?

**A Workwise Time & Wages Audit may be the answer.**

Take advantage of our 2nd Quarter Time & Wages Audit Special.

**For further information on anything you have read in this bulletin, please contact the Workwise Office nearest you for assistance and an appointment will be arranged.**

Disclaimer: The information contained in this article is a summary only of the subject matter covered. Whilst Workwise endeavours to provide clients with accurate information no part of this summary should be used as a substitute for professional advice.

*Workwise Advisory Services, 2010*