PAID PARENTAL LEAVE – FREQUENTLY ASKED QUESTIONS

Contact the Salaries, Superannuation and Systems unit for further information

What is the Paid Parental Leave scheme?

The Paid Parental Leave scheme is an Australian Government funded entitlement for working parents who become the primary carer of a newborn or newly adopted child.

Who is entitled to Parental Leave Pay?

Working parents, including full-time, part-time, self-employed, casual, contract and self-employed workers may be eligible for Parental Leave Pay if they meet the scheme's eligibility criteria.

How much Parental Leave Pay will I receive?

You can receive up to 18 weeks of Parental Leave Pay at the National Minimum Wage, currently $570.00 per week before tax. Parental Leave Pay is taxable.

Am I eligible?

You may be eligible for Parental Leave Pay if you:

- are the primary carer of a newborn child or the initial primary carer of a recently adopted child
- are an Australian resident.
- have met the Paid Parental Leave scheme work test before the birth or adoption occurs, and
- have received an individual adjusted taxable income of up to $150 000 in the previous financial year.

Also, you must be on leave or not working from the time you become the child's primary carer.

Who is a child's primary carer?

A child's primary carer is the person who is most meeting the child's physical needs. This will usually be the mother of a newborn child or the initial primary carer of an adopted child.

A person may still be eligible for Parental Leave Pay, in the event of a stillbirth or infant death.

If you are a birth mother, there are some circumstances in which you can receive Parental Leave Pay for up to 18 weeks after the birth even if you are not the primary carer of your child. This may occur if you're unable to care for your child due to illness, or you may be a birth mother in an adoption or surrogacy arrangement.
Do I meet the Paid Parental Leave work test?

To meet the Paid Parental Leave work test you must have:

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

A working day is a day you have worked for at least one hour.

There are some exceptions to the work test if you cannot meet it due to pregnancy complications and/or premature birth.

What counts as paid work for the Paid Parental Leave work test?

You can include periods of work if it is done for financial reward or gain, whether in Australia or overseas.

Work for a family business (including a farm) can be included as work even if the business is not yet generating any income, providing you are undertaking the work for financial gain or benefit.

The following activities will count as work:

- periods of paid leave taken before the birth or adoption
- employment at an Australian Disability Enterprise
- operating a business while receiving assistance under the New Enterprise Incentive Scheme
- work undertaken for Community Development Employment Projects (CDEP) for continuing participants only
- farm labour or operating a business while receiving an Exceptional Circumstances Relief Payment
- jury service, and
- defence reservist work.

What does not count as paid work for the Paid Parental Leave work test?

The following activities will NOT count as work:

- unpaid leave or voluntary work
- activities undertaken for Work for the Dole (including Community Development Employment Projects for new participants)
- Green Corps
- Drought Force
- the National Green Jobs Corps, and
- other income support programs which include a work component will not count as work.
What if I do not work regular days or shifts?

You do not need to be working full-time to be eligible for Parental Leave Pay. You may meet the work test even if you:

- are a part-time, casual or seasonal worker
- are a contractor or self-employed
- work in a family business such as a farm
- have multiple employers, or
- have recently changed jobs.

You will need to have worked for at least one hour in a day for your employment to be counted as a working day.

Can my partner claim Parental Leave Pay too?

The unused part of your Parental Leave Pay may be transferred to your partner if they meet the eligibility criteria and claim your unused Parental Leave Pay. The unused Parental Leave Pay may also be transferred to a separated parent or their new partner, if eligible.

Can I receive Parental Leave Pay and Baby Bonus?

Parental Leave Pay and Baby Bonus cannot be paid for the same child. If you meet the eligibility criteria for both payments, you can choose which payment is the best financial decision for your family. In the case of multiple births (for example twins, triplets), you can claim Parental Leave Pay for one child and Baby Bonus for the other child/children.

How do I know which payment is best for me?

Most eligible families will be better off receiving Parental Leave Pay rather than Baby Bonus. You should use the Paid Parental Leave Comparison Estimator to work out which payment is best for your family.

How does the Paid Parental Leave Comparison Estimator work?

The Paid Parental Leave Comparison Estimator does not assess your eligibility for Paid Parental Leave or Baby Bonus. The Paid Parental Leave Comparison Estimator offers you a comparison between Parental Leave Pay and Baby Bonus and shows you which payment is likely to benefit your family most.

The Paid Parental Leave Comparison Estimator will estimate how much tax you will pay on your Parental Leave Pay and the reductions in Family Tax Benefit due to receiving Parental Leave Pay. It will compare how much you would get if you take Parental Leave Pay with how much you would get if you take Baby Bonus after these affects are taken into account.
Will Parental Leave Pay affect my existing payments and support?

You will need to consider how receiving Parental Leave Pay will affect your existing family assistance entitlements, child support and taxation obligations.

Parental Leave Pay may affect your:

- Family Tax Benefit Part A and B
- Child Care Benefit
- Child Support
- HECS liabilities
- Medicare Levy Surcharge
- Public Housing Rent
- Low Income or other Health Care Cards, or other associated concessions
- Pensioner, Beneficiary, Dependent Spouse, Housekeeper and Child-housekeeper tax offsets.

Family Tax Benefit Part B, the dependent spouse, child-housekeeper and housekeeper tax offsets will not be available during the Paid Parental Leave period. These entitlements may be available after the end of your Paid Parental Leave Period if you are eligible.

If you are separated from your child's other parent and they are receiving Family Tax Benefit Part B, it will not be affected by you receiving Parental Leave Pay. Parental Leave Pay will not be treated as income for Parenting Payment (partnered and single) and other income support payments, such as the Disability Support Pension, Newstart Allowance and Veterans' Affairs payments.

When can I claim Parental Leave Pay?

Claims for Parental Leave Pay can be lodged up to three months before expected date of birth or adoption of your child.

Why should I claim before my child arrives?

Lodging a claim for Parental Leave Pay before your child is born or adopted will help prevent any delay in providing Parental Leave Pay.

What happens if my baby arrives before the scheme is introduced?

If your baby arrives before the scheme is introduced on 1 January 2011, you will still be able to receive the Baby Bonus if you are eligible.

How long do I have to claim Parental Leave Pay?

Your Parental Leave Pay can start from the day your child is born or adopted, or a later date. It must be fully paid within 52 weeks from the date of birth or adoption.

To be eligible for the full 18 weeks of Parental Leave Pay, the nominated start date for your Parental Leave Pay needs to be within 34 weeks of the birth or adoption of your child.
How can I claim Parental Leave Pay?

You make a claim for Parental Leave Pay using Online Services. You can lodge a claim up to three months before the expected date of birth or adoption of your child.

You will need to register to use Online Services. If you have already registered, log on.

If you would like to find out more about registering for Online Services you can:

- view a demonstration of how to register for Online Services, or
- view the online and phone services frequently asked questions.

If you are already registered for Online Services, you can start the claim process online.

If you have any problems using Online Services, call the Online Services support on 13 2307.

Learn more about how to claim for Parental Leave Pay.

You can call 13 6150 for assistance in completing your online claim form or to request a hard copy form. Alternatively, you can visit the Family Assistance Office located in Medicare offices and Centrelink Customer Service Centres.

What if my circumstances change?

If your circumstances or your caring plans change, you should use the Paid Parental Leave Comparison Estimator to make sure that you are still better off receiving Parental Leave Pay rather than Baby Bonus.

Under the Paid Parental Leave scheme you have the option, if you and your employer agree, to Keep in Touch with your workplace.

From the time you become the primary carer of your child until the end of your Paid Parental Leave period, you will need to let the Family Assistance Office know if any of the following occur:

- you return to work
- your child leaves your care
- you leave Australia, or
- your employment ceases, if you are receiving Parental Leave Pay from your employer.

You can use Online Services to let us know if your circumstances change.

Can I change my claim to Baby Bonus?

You can change your claim to Baby Bonus if Parental Leave Pay is no longer the right choice for you. You can do this before or after the birth or adoption, but you cannot change to Baby Bonus once your Parental Leave Pay starts.
**Can I receive Family Tax Benefit Part A as well as Parental Leave Pay?**

If you are eligible, you can receive Family Tax Benefit Part A during the Paid Parental Leave period.

**Can I receive Family Tax Benefit Part B as well as Parental Leave Pay?**

You and your partner cannot receive Family Tax Benefit Part B, the dependant spouse, child housekeeper and housekeeper tax offsets during the Paid Parental Leave period. These entitlements may be available after the end of your Paid Parental Leave period, if you are eligible.

**Will Parental Leave Pay count as income for other family assistance?**

Parental Leave Pay will count as income for Family Tax Benefit and other family assistance payments, but not for income support payments. You should include any Parental Leave Pay you expect to receive in your taxable income estimate for Family Tax Benefit purposes.

**Organising leave with your employer**

It is important to organise your leave from work. You should try to do this at least 10 weeks before you intend to take leave from work.

If you have worked for 12 months or more for the same employer you are entitled to up to 12 months unpaid parental leave under the National Employment Standards.

For more information on your employment entitlements, visit [Fair Work](https://www.fairwork.gov.au/) website or call **13 1394**.

**Does the Paid Parental Leave scheme give me an entitlement to leave?**

The Paid Parental Leave scheme provides you with Parental Leave Pay but does not give you an entitlement to leave.

If eligible, you will receive up to 18 weeks of Parental Leave Pay at the National Minimum Wage. This will complement parents’ existing entitlements to leave, such as unpaid parental leave under the National Employment Standards in the *Fair Work Act 2009*. For more information about your workplace entitlements and obligations visit [Fair Work](https://www.fairwork.gov.au/) website or call **13 1394**.

**What if I decide to resign?**

If you decide to resign before or during your Paid Parental Leave period you can still be eligible for Parental Leave Pay. You will receive your Parental Leave Pay from the Family Assistance Office. You will need to notify us of your decision to resign if you are receiving Parental Leave Pay from your employer. We will then provide your Parental Leave Pay directly to you.
What if I want to return to work?

If you return to work, your Parental Leave Pay will stop. Under the Paid Parental Leave scheme employees have the option, if you and your employer agree to *Keep in Touch* with the workplace. This means you can participate in workplace activities for up to 10 days from the birth or adoption of your child until the end of your Paid Parental Leave period. The days you choose to attend work as a Keeping in Touch day cannot be within the first two weeks after the birth or adoption of your child. The days do not need to be used all at once and you must be paid your usual wages or salary in addition to your Paid Parental Leave Pay for the time you attend work. Keeping in Touch days do not extend your Paid Parental Leave period. *Keeping in Touch* must be a voluntary decision between you and your employer, your employer cannot make this compulsory.

Many employers already have *Keeping in Touch* arrangements in place and ensure that their employees continue to have access to their full entitlement to unpaid parental leave.

Returning to work to *Keep in Touch* with the workplace may affect your entitlement to 12 months unpaid parental leave under the National Employment Standards in the *Fair Work Act 2009*. Unpaid parental leave taken under the National Employment Standards must be taken in a single continuous period.

The Government is planning to introduce amendments to the *Fair Work Act 2009* into Parliament to ensure that accessing a *Keeping in Touch* day does not affect your entitlement to 12 months unpaid parental leave under the National Employment Standards. Until this amendment has been passed by Parliament, employees who are eligible for the Paid Parental Leave scheme are advised not to access a *Keeping in Touch* day if they are unsure how this will affect their entitlement to unpaid parental leave.

If you are [self-employed](https://www.abs.gov.au), you will be able to keep an eye on your business without being regarded as having returned to work. You will be able to oversee the business' operations, and perform the occasional administrative task.

Where can I get more information about workplace entitlements such as leave?

For more information about your leave entitlements visit [Fair Work](https://www.fairwork.gov.au) website or call 13 1394.

When will my employer be required to provide Parental Leave Pay?

Parental Leave Pay can be provided to you by either your employer in your usual pay cycle or by us in fortnightly payments.

From 1 July 2011, your employer must provide your Parental Leave Pay if you have worked with them for 12 months or more prior to the expected date of birth or adoption of your child and you will be receiving at least 8 weeks of Parental Leave Pay.

If your employer is not required to provide your Parental Leave Pay, they can still volunteer to provide it to you. You and your employer must agree for this to happen. This applies both before and after 1 July 2011.
What payment notification will I receive from my employer?

Your employer must give you written notification each time you are paid Parental Leave Pay. Your employer may use your usual pay slip to notify you of the payment. They may also use other written types of notification, including electronic formats such as email or online payslips.

Your employer must give you written notification of your Parental Leave Pay within one working day of the payment being made.

Will I receive superannuation payments from my employer while receiving Parental Leave Pay?

Employers are not required to make compulsory superannuation contributions for the Parental Leave Pay they provide to you.

What if I am in a dispute with my employer about my Parental Leave Pay?

If you are in a dispute with your employer about your Parental Leave Pay, the Family Assistance Office may be able to help resolve the matter. If the Family Assistance Office cannot resolve the matter and if your employer is not meeting their obligations under the scheme, the matter will be referred to the Fair Work Ombudsman for investigation.

The Fair Work Ombudsman investigates workplace complaints and enforces compliance under the *Fair Work Act 2009*.

The Fair Work Ombudsman will have a role under Paid Parental Leave legislation to investigate complaints if the Family Assistance Office is unable to resolve disputes. It can also enforce employers’ obligations under the Paid Parental Leave scheme that relate to providing Parental Leave Pay to any employee for whom the employer has received Paid Parental Leave funds.

The Fair Work Ombudsman’s investigations may result in civil penalty actions being taken for breaches of obligations. The civil penalties that may be imposed on an employer breaching its obligations are the same as apply under the *Fair Work Act 2009*.

What if my employer already provides a paid maternity or parental leave scheme?

The Australian Government’s Paid Parental Leave scheme is a new entitlement for working parents. This means that if you are eligible you will be able to receive Parental Leave Pay regardless of whether your employer already offers paid parental or maternity leave arrangements.

You can take Parental Leave Pay before, after or at the same time as any paid or unpaid maternity or parental leave or other employer-provided leave entitlements (such as annual leave or long service leave).

If your employer currently provides an employer-funded scheme such as paid maternity or parental leave through an industrial agreement, they cannot withdraw the entitlement for the life of that agreement.
What happens if my employer ceases to trade or sells the business while paying Parental Leave Pay to me?

If your employer ceases to trade, sells the business, declares bankruptcy, transfers ownership or merges with another business, your employer will need to notify us in advance so alternative arrangements can be made for Parental Leave Pay to be provided to you.

What happens if I am self-employed and receiving Parental Leave Pay?

You will be able to keep an eye on your business without being regarded as having returned to work. You will be able to oversee the business' operations, and perform the occasional administrative task. Types of activities that may be considered as overseeing or performing an occasional administrative task may include:

- paying an account
- checking on the delivery of an order
- approving the business accounts
- dealing with ad hoc disputes
- organising a repair, or
- recruiting replacement staff to manage your absence from work.

If you perform your usual work duties during your Paid Parental Leave period you will be regarded as having returned to work and will no longer be entitled to Parental Leave Pay—even if you perform at reduced hours or work levels.

If you decide to return to work or your circumstances change before the end of your 18 week Paid Parental Leave period you will need to notify the Family Assistance Office. The unused part of your Parental Leave Pay may be transferred to your partner if they meet the eligibility criteria and claim your unused Parental Leave Pay.

If you are self-employed, your Parental Leave Pay will be provided by the Family Assistance Office in fortnightly instalments.

If you are self-employed and need to provide Parental Leave Pay to your employee, more information is available about your role as an employer in the Employer Toolkit.

Where do I go for more information?

To find out more about the Paid Parental Leave scheme:

- call the Family Assistance Office on 13 6150, or
- visit the Family Assistance Office located in Medicare offices and Centrelink Customer Service Centres, or
- visit the Family Assistance Office Website:
