



HR Guide – Paid Parental Leave Scheme

Definition

The Australian Government scheme provides Government-funded Parental Leave Pay at the National Minimum Wage for a maximum period of 18 weeks. From 1 July 2013, the rate of Parental Leave Pay is \$672.60 per week before tax. Parental Leave Pay can start from the date of birth or adoption, or at a later date. It must be received in one continuous period and must all be used within 12 months of the date of birth or adoption. Parental Leave Pay is taxable and can be received before, after, or at the same time as existing entitlements, such as annual leave, and employer-funded paid parental leave.

Eligible employees either receive the government-funded Parental Leave pay directly from Centrelink, or passed on to them via their employer.

Eligibility

To be eligible for parental leave pay an employee must:

- Meet the Paid Parental Leave work test the employee must have:
 - worked for at least 10 of the 13 months before 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.
- Meet residency requirements from the date the child comes into their care until the end of the Paid Parental Leave period
- Have received an individual adjusted taxable income of \$150,000 or less in the financial year either before the date of birth or adoption or the date of claim, whichever is earlier, and
- Be on leave or not working from home when they become the child's primary carer, until the end of the Paid Parental Leave period

Process for Employees

The Employee should talk to their employer at least 10 weeks before the child's due date, or date of adoption, to arrange leave and discuss their intention to claim Parental Leave Pay. This will allow the employer time to prepare and register their business for the scheme. The Employee can lodge a claim for Parental Leave Pay up to three months prior to the birth and it is recommended that they do so as early as possible during this time so that the payment will start from the correct date.

They may lodge a claim with the Department of Human Services:

- in person at any Medicare Office or Centrelink service centre
- by using their website www.humanservices.gov.au
- by calling the Department of Human Services (Families) on 136150

Process for Employers

You need to register your business for the Parental Leave Pay Scheme.

You can register for the scheme with your AUSkey or current ATO digital certificate anytime through Business Online Services at humanservices.gov.au/centrelinkbusinessonline.

You can also register over the phone by calling the National Business Gateway on 131 158. Once you have registered, you will then be sent a letter confirming this. Human Services will determine whether your business must provide the pay to the Employee or whether Centrelink will provide the payment.

After employees lodge their claim and The Family Assistance office decides whether they are eligible, the office will then determine whether your business has to provide the Parental Leave Pay or whether the employee will receive it from Centrelink directly.

Employers have to provide this payment to eligible employees who:

- will have been an employee for 12 months or more prior to the expected date of birth or adoption
- will be an employee for the period of their Parental Leave Pay
- are Australian-based
- are expected to receive eight weeks or more of Parental Leave Pay.

Once it is confirmed that the Employer will make the payment, your business will receive notification. You must accept the decision, or request to review the decision within 14 days of the notice. You can do this through Business Online Services. You will then set up a Payment Destination with your bank account details, preferred instalment and employee's pay cycle and pay cut-off details. You will then be advised when payments to you will start.

You will also be sent a letter to confirm when your Employee's Parental Leave Payments should start. You will always receive the funds in advance and you have no obligation to provide Parental Leave Pay to the employee before you receive the funds.

You can find out more information in the Employer Toolkit online at www.employee matters.com.au