

WORKPLACE RELATIONS CIRCULAR



For the information of members of Australian Business Industrial

CIRCULAR No.	CASE FILE No.	CIRCULAR DATE	FOR INFORMATION
2010/121	1005	18/06/2010	

PAID PARENTAL LEAVE SCHEME

ALL MEMBER CIRCULAR

The Government's paid parental leave (GPPL) scheme recently passed through parliament and will apply to births or adoptions on or after **1 January 2011**. The scheme provides 18 weeks' government funded PPL to eligible working parents paid at the federal minimum wage, currently \$569.90/week.

A person (employee, contractor or self-employed) is eligible for GPPL if (s)he is the primary care giver to a new born child or adopted child under 16. (S)he must satisfy:

- the work test: (s)he must have worked continuously for at least 10 of the previous 13 months and for at least 330 hours (approximately 1 day/week) during that period
- the income test: her/his income must be less than \$150,000 pa.

Arranging GPPL is the responsibility of the eligible working parent. Someone wanting GPPL must apply to the Family Assistance Office (FAO) in the period between 3 months before the expected date of birth or adoption and 12 months after that date. GPPL will not be paid for leave taken 12 months or more after the birth or placement.

When the eligible working parent is an employee

When an eligible working parent has 12 months' continuous service, or if a casual, is "long term" (has worked a series of engagements during at least 12 months on a regular and systematic basis), the employer becomes the paymaster for the GPPL.

This part of the GPPL scheme does not start until **1 July 2011**, although an employer may opt to become paymaster for their employees taking GPPL before that date should they wish to.

The 12 months' requirement is the same service requirement for an employee to be eligible for unpaid parental leave under the National Employment Standards. Unpaid parental leave and GPPL can be taken concurrently. The amount of GPPL taken is deducted from the employee's unpaid parental leave entitlement.

Where an employer is to be paymaster for an employee's GPPL, the FAO will contact and advise the employer of this. The FAO will arrange to transfer GPPL money to the employer for the employer to pay to the employee on leave. Payments can be made in the employer's normal pay schedule and with other payments that the

employee might be receiving, if any. These payments are regarded as wages for tax purposes.

FAO will endeavour to transfer the GPPL money to the employer prior to the relevant pay period. An employer is not obliged to pay GPPL if the money has not been transferred in time. Late transfers can be paid in the next pay round.

GPPL does not count as “paid leave” for the National Employment Standards and therefore does not count as service. During a period of GPPL an employee may attend work on up to 10 days (for meetings, training etc) so as to keep in touch. “Keeping in touch” must be by mutual agreement and be paid for as work (in addition to the GPPL) and counts as service.

GPPL’s relationship to existing PPL schemes

For an eligible working parent GPPL is in addition to any other obligation which the employer has with respect to the employee. For example, employees taking GPPL can also access paid annual leave or long service leave and they remain entitled to their employer’s existing PPL scheme, where there is one.

Employers with existing PPL schemes might wish to consider their current scheme to ascertain whether it should be amended to take account of GPPL.

Please call the Workplace Advice Unit on 13 29 59 for more information.

NSW BUSINESS CHAMBER