

PAID PARENTAL LEAVE SCHEME

WHEN DOES IT BEGIN?

The introduction of the fully Government funded Paid Parental Leave scheme means that employees who are expecting the birth or adoption of a child from 1 January 2011 onwards may be entitled to Paid Parental Leave.

WHO IS ELIGIBLE?

Employees will have to lodge an application with the Family Assistance Office (FAO), who will determine their eligibility based on a work history test, an income test and a residency test. Only long-term employees will be considered, which means that they need to have been employed by the organisation for 12 months or longer prior to the expected date of birth or adoption of the child.

WHAT DO THEY RECEIVE?

Working parents will be entitled to 18 weeks of Parental Leave pay at the national minimum wage rate of \$570 per week before tax.

This paid leave is in addition to their current entitlement of 12 – 24 months of unpaid Parental Leave under the Fair Work Act 2009. Although it is intended to complement the entitlement to 52 weeks of unpaid Parental Leave, the entire period of leave taken by the employee and their spouse is not to be greater than 52 weeks in total.

WHAT DOES THIS MEAN FOR EMPLOYERS?

Once the FAO have determined that an employee is eligible for paid leave, they will notify the employer. From 1 January 2011 until 30 June 2011, the FAO will pay the employees directly. From 1 July 2011 onwards, employers will be expected to process the Parental Leave payment to employees. The FAO will advance the employers the funds prior to the employer having to pay the employee.

HOW CAN MJSP HELP?

MJSP can support you and your business in managing the Parental Leave entitlements of your employees. There are specific requirements regarding eligibility, notice periods, safe work during pregnancy and of course keeping parental leave positions available for parents to return to. Challenges may arise with finding and managing replacement staff, or with managing changes to the primary carer, which means that either partner may be the main 'primary' carer throughout the 12 – 24 month entitlement to Parental Leave.



MJSP can create or update your existing Parental Leave Policy to incorporate the changes introduced as a result of the Federal Government's Paid Parental Leave scheme.

Please contact Jenny Hall on (07) 3839 1233 or jenny@mjsp.com.au for further information.