

### Paid Parental Leave Act

Efficiency<sup>+</sup> Fulfillment<sup>+</sup> Integrity<sup>+</sup> Teamwork

From 1 January 2011 Australia's new Paid Parental Leave scheme will commence. This will have substantial effects upon employees and employers.

#### What You Need to Know

Eligible Australian working parents will receive up to a maximum of 18 weeks of Paid Parental Leave at the current National Minimum Wage.

To be eligible, employees must:

- be the primary carer of a child born or adopted after 1 January 2011;
- have been engaged in paid work for at least 10 months before your child is born or adopted;
- have worked at least 330 hours during that 10 month period; and
- have earned less than \$150,000 p.a over that 10 month period.

It is not a requirement to have been working on a full-time basis. Employees may still be eligible even if they are employed part-time, as a casual, contractor, seasonal worker or self-employed.

The Parental Leave Pay is fully paid by the Government. However, employers will be responsible for administering the Parental Leave Pay to their eligible employees, including being responsible for accepting the money for their eligible employees from the Government and distributing it accordingly.

The Family Assistance Office will notify employers of the eligible employees within their workplace and provide them with the required funds for payment. Much like the way the Workers Compensation insurance system works, employers will become like an intermediary 'paymaster' to their employees.

#### What to do

There are significant preparation burdens you must face, such as reviewing your current employee contracts, updating your existing accounting and payroll systems and records, and training relevant staff. On top of that, there are other facts to be aware of, such as not having to pay superannuation for Parental Leave Pay, and knowing that contractual entitlements do not accrue during the Leave period.

#### Contact Ray Ward if you have any further queries

Telephone: 8215 1510

Email: [rward@wardlegal.com.au](mailto:rward@wardlegal.com.au)

Website: [www.wardlegal.com.au](http://www.wardlegal.com.au)