

UPDATED
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paid parental leave

information for sda members



ARE YOU PREGNANT OR HAVE YOU RECENTLY GIVEN BIRTH, OR ADOPTED A CHILD UNDER 16 YEARS?

If so, you may be eligible for the Federal Government's Paid Parental Leave payment of \$11,197.80.

Australia's first national Paid Parental Leave Scheme was introduced on 1 January 2011 by the previous Australian Labor Government. It is funded by the Government and is available for **employed parents** of babies born on or after 1 January 2011. It is also available for employed parents of children under 16 years of age, which are adopted on or after that date.



HOW MUCH PAID PARENTAL LEAVE PAY IS THE GOVERNMENT OFFERING?

The payment is equal to 18 weeks at the National Minimum Wage (as at 1 July 2013), of \$622.10 per week before tax, or \$11,197.80 before tax for the 18 week period.

The payment is paid to the primary carer.

This is usually the mother but she has the ability to transfer some of it to her partner (if eligible). The primary carer can also be the child's other legal parent or their partner (if eligible).

The payment is taxed.

Families who receive the Government's Parental Leave pay will not receive the Baby Bonus (which is currently worth \$5,000 for the first child and \$3,000 for subsequent children) or Family Tax Benefit B for the 18 week Parental Leave pay period. Parents who have multiple births may (if eligible) receive the Paid Parental Leave payment for one child and the Baby Bonus for the second or subsequent child/children.

Note: Baby Bonus will no longer be available for children born or adopted on or after 1 March 2014. Some families may be eligible for Newborn Upfront Payment and Newborn Supplement.

For more details in relation to these payments, please contact the Department of Human Services on 13 61 50, or go to www.humanservices.gov.au.

ARE YOU ELIGIBLE FOR THE FEDERAL GOVERNMENT'S PAID PARENTAL LEAVE PAYMENT?

To work out whether you are eligible for the Government's Paid Parental Leave payment there are some questions you must answer:

1. Have you been in paid work (with one or more employer) continuously for at least 10 of the 13 months before the birth, *and* worked at least 330 hours during that 10 month period? (You can have no more than an 8 week gap between working days during this 10 month period.)
2. Did you (as an individual) earn \$150,000 per annum or less in the financial year *before* you lodged your claim or before the birth, whichever is the earlier?
3. Do you live in Australia as an Australian resident?

If you have answered "Yes" to these three questions, then you will be eligible to apply for the Government's Paid Parental Leave payment.

If you are unsure, please contact the Department of Human Services on 13 61 50 to check your entitlement.



Please Note: You do not need to be a full-time or permanent part-time employee to be eligible for this payment. 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;
- have multiple employers; or
- have recently changed jobs.

You cannot receive the Government's Paid Parental Leave pay and the Baby Bonus for the same child. If you are eligible to receive the Paid Parental Leave pay, you must decide whether you will be better off financially receiving this payment or receiving other Government payments.

Most families will be better off receiving the Parental Leave pay rather than the Baby Bonus. To help you choose the option which is best for you and your family:

- you can speak to a customer information representative at the Family Assistance Office in person; or
- you can call a customer information representative on 13 61 50; or
- you can use the online *Paid Parental Leave Comparison Estimator*, which is available in the Families section of the Department of Human Services website at www.humanservices.gov.au. You will need to register online to be able to use it. It will ask you questions about your circumstances and will provide you with a comparison between Parental Leave pay and the Baby Bonus.



It is expected that less than 15 % of people will be better off receiving the Baby Bonus and Family Tax Benefit B, taking into consideration the number of children in the family, the timing of the birth and the income of the parents.

If you choose to apply for the Paid Parental Leave payment and change your mind, it will be possible to change to the Baby Bonus up until one day before your Parental Leave pay start day.

TALK WITH YOUR EMPLOYER

Under industrial legislation, if you have been employed by your employer for 12 months or more before the birth or adoption, you are entitled to a minimum of 12 months unpaid parental leave. You can also request an additional 12 months unpaid leave. Many SDA Agreements provide more generous entitlements than this so please check your Agreement or call the SDA to confirm your entitlements.

At least 10 weeks before starting parental leave you must officially notify your employer, in writing, of your intention to take parental leave, specifying the intended start and end dates of the leave.

Then at least four weeks before the previously notified start date of the leave, you must confirm in writing, your intended start and end dates of parental leave, or any changes to these. Please see the SDA Parental Leave Booklet for more information and Sample letters to send to your employer.

Let your employer know that you will be claiming the Government's Parental Leave pay. Once the Department of Human Services has received your application, and decided you are eligible, they will then decide if you will receive the Government Parental Leave pay from your employer.

If this is the case, Centrelink will contact your employer to advise them of the decision, and get their details so that payment arrangements can be made.

Under current legislation your employer will provide your Paid Parental Leave pay in your usual pay cycle if you:

- have worked for them for 12 months or more before the expected date of birth or adoption;
- will be their employee until at least the end of your Paid Parental Leave period;
- are an Australian based employee; and
- expect to receive at least 8 weeks Government Parental Leave pay.



If you do not meet these criteria, your employer is not required to provide your Parental Leave pay. However, they can still choose to provide it to you if you both agree for this to happen. Your employer will need to register with the Department of Human Services and opt-in to provide Parental Leave pay before you lodge your claim.

If your employer is not required to provide your Parental Leave pay, if you do not have an employer, or you are self employed, the Department of Human Services will pay you directly in fortnightly instalments.

In the case of an employee who has more than one employer they have worked with for 12 months or more, the employee may nominate the employer they wish to receive their Government Parental Leave pay from.

❗ Please note: The responsibility of the employer to make the Government's parental leave payments is currently under review. Please check the Department of Human Services website at the time of taking leave for further information.

WORK OUT WHEN YOU WANT TO START THE GOVERNMENT'S PARENTAL LEAVE PAYMENT.

Parents can nominate when they wish to receive the Government's Parental Leave pay. The earliest the payment can start is from the date of birth of the baby but the payment can be received at any time in the 12 months after the birth.



All the payment must be received during this period.

To get the full 18 weeks of Parental Leave pay, you should nominate a start date that is no later than 34 weeks after the birth or adoption of your child.

The Government's Parental Leave pay can be received before, after, or at the same time as employer-provided paid parental leave and annual leave or long service leave.

❗ Please note: You may have to pay more tax if you receive the Government's Paid Parental Leave payment at the same time as these payments.

To help you decide when to start the Government Parental Leave pay, you will need to ask your employer:

■ Does your employer provide paid parental leave? And are you eligible for your employer's paid parental leave?

If so:

■ How much does your employer pay?

■ For how many weeks?

■ Can you take your employer paid parental leave in a lump sum, weekly or fortnightly, or at half pay?

If you have a choice, you must decide what payment method you would prefer.

- When does your employer's paid parental leave payment start? (from the start of your parental leave or from the date of birth of the baby? Or, can you nominate a later date?)

If you can nominate the date, you must decide when you want your employer paid parental leave.

- How much annual leave or long service leave do you have owing to you?

If you have any annual leave or long service leave owing, you must decide whether you are going to use this leave, and the dates you will be on this leave.

- ❗ **Please note:** If a public holiday falls during the period of annual leave, you should be paid for it in the same way as you would have been at any other time. If you are entitled to annual leave loading that should also apply.

TALK TO YOUR PARTNER

Does your partner want to take a period of parental leave for the purpose of being the primary carer? This is leave other than the (up to 8 weeks) of unpaid concurrent leave available to dads and partners after the birth.

If so, your partner will need to ask his/her employer about any employer-funded parental leave, and any owing annual leave or long service leave, as above.



Do you want your partner to share the Government Parental Leave payment with you, because you will be returning to work? If so, your partner must meet the eligibility criteria as above and claim your unused Paid Parental Leave pay.

You must both decide the date you want to start the Government Parental Leave pay and the date you want it to end. The Government's Parental Leave pay must be taken in one continuous 18 week period, even if it is shared between parents.

It is only possible to transfer the Government's Parental Leave pay once.

❗ Please note: If you wish payment to commence from the date of birth you will need to have all forms submitted within 28 days of the child's birth. If you intend to return to work after 18 weeks and you want to receive the full payment, the Government Parental Leave pay will need to commence from the date of birth of the child. In this circumstance submitting *all* forms within 28 days is essential.

When making these decisions you will also need to consider the availability of Dad and Partner Pay, which is explained further in this leaflet.



APPLYING FOR THE PAID PARENTAL LEAVE PAYMENT

It is the parent's responsibility to make the claim. The employer has **no** responsibility in making the initial claim for the Government's Paid Parental Leave payment.

Claims can be lodged up to 3 months before the expected date of birth.

You should claim as early as possible before your child arrives.

It is advisable for parents to make their claim as early as possible, especially if they want the payments to commence as soon after the birth as possible and/or if they intend to return to work after 18 weeks

Parents may lodge their claim by:

- going to the Department of Human Services website www.humanservices.gov.au and registering as a customer with Online Services and then completing an online claim form; or
- on your mobile device, using Centrelink's Express Plus mobile apps; or
- visiting a Department of Human Services Service Centres, either Centrelink or Medicare; or
- calling Centrelink on 13 61 50 to request a paper claim form and submitting this to a Centrelink office, or for any other assistance.

Information which will be required when lodging a claim will be:

- The expected date of birth of your baby.
- Your work history over the past 10-13 months.
- Your employer(s) details. That is, the name, address, telephone number of the company you work for, and the Company's Australian Business Number (ABN). This can usually be found on your payslip.
- Your employee identification number (if you have one).
- Your income details (to demonstrate that you have not earned over \$150,000 in the previous financial year).
- Your Tax file Number (TFN).
- Australian residency information.
- The date when you want the Government Parental Leave pay to start and finish. (After taking into consideration the dates you wish to take any accrued leave or any employer-provided paid parental leave.)
- If the payment is to be transferred to a partner, the date when this is to happen. (Your partner will also need to comply with the eligibility criteria and will need to lodge a separate claim form.) These dates can be changed up until the payments start.
- Your bank account details.



If you have any concerns or questions please call the Department of Human Services on 13 61 50.

THE PROCESS

The Department of Human Services will verify employer information provided by you and determine if the employer is to provide your Government Parental Leave pay. If you have been employed with the employer for 12 months or more, and you are to receive the payment for at least 8 weeks, then the employer will be expected under the law to be the paymaster.

You will be notified if you are or if you are not eligible to receive the payment. If the employer is to be the paymaster, your employer will be notified.

AFTER THE BABY IS BORN

Once the baby is born, the mother will be given a *Newborn Child Claim for Paid Parental Leave, Family Assistance and Medicare* form to fill in by the hospital or the midwife, verifying that the birth took place.

She will also be required to register the baby under law, or declare on the form that she has applied to register the birth.

This form then needs to be posted or taken to a Centrelink or Medicare Office within 28 days if you want the payment to start from the date of birth.

This form is also used as proof of birth if your partner is claiming Dad and Partner Pay.



The Department of Human Services then determines that the payments can be made. If the employer is the paymaster, the employer is notified and money is transferred to the employer's bank account.

The employer then withholds PAYG tax and pays the employee on the next due pay date in her pay cycle, usually electronically. The employer is also required to provide the employee with a payslip or written record of the payment.

If the employee is usually paid by her employer weekly in arrears, then the Parental Leave pay will be paid by the employer weekly in arrears.

If the employer is not to be the paymaster, the Department of Human Services will make the payments directly to the mother's bank account.

The Department of Human Services will provide Parental Leave pay fortnightly in arrears.

The Department of Human Services will withhold PAYG tax at the rate of 15% unless otherwise advised.

Stillbirths and infant deaths

In the unfortunate situation of a stillbirth or infant death, eligible parents may still be eligible to receive the full Government Parental Leave payment in some circumstances, even if they have returned to work.

If you resign from your employment

Employees who meet the eligibility criteria but have resigned before the expected date of birth or before the end of their Parental Leave pay period will still be eligible for the Government's Paid Parental Leave payment, but the employer will not be obliged to pass the payments on. The Department of Human Services will pay the employee directly.

"Keeping in Touch" Days

There are a maximum of 10 "Keeping in Touch" days allowed from the time the person becomes the primary carer of the child (usually the date of birth for a birth mother) until the end of the period of receiving the Government's Parental Leave pay.

These are days where you may agree (on a strictly voluntary basis) to attend work for purposes such as training or a planning meeting.

There is no compulsion to work while on Parental Leave but if you choose to attend on one of these days, you must be paid the amount you would ordinarily expect to be paid if you worked on that day. This payment is in addition to the payment for Parental Leave from the Government. Any work done on a "Keeping in Touch" day does not extend your Parental Leave period.

RETURNING TO WORK DURING THE PAID PARENTAL LEAVE PERIOD

If you return to work for even one hour during the period you are receiving the Government Paid Parental Leave payment (other than on a "Keeping in Touch" day) you will no longer be eligible for the payment.

If you continue to receive the payment when you are not eligible, you will be expected to repay the money or be subject to legal action.

This is particularly an issue in companies which allow voluntary casual work while on Parental Leave. If you are considering accepting an offer of this type of work, please check that it will not be during the period from when you become the primary carer for the child until the end of the period of receiving the Government Parental Leave pay. If you want to return to work before the expiry of the 18 week Paid Parental Leave period, it may be possible to transfer the payment to your partner if he/she is eligible or, in some circumstances, to another primary carer. Please see page 6.

ASSISTANCE FROM THE DEPARTMENT OF HUMAN SERVICES

If you speak with someone from the Department of Human Services and what they say does not make sense to you, it is worthwhile speaking to someone else in the Department of Human Services at another time, as they may be able to make things clearer or give you the answer you are looking for.

ASSISTANCE FROM THE SDA

If you are unsure of your leave entitlements, or you are having difficulties receiving your payments from your employer (where your employer is the paymaster), please contact the SDA.



DAD AND PARTNER PAY

Dad and Partner Pay was introduced by the Australian Labor Government and came into effect on 1 January 2013.

The payment provides eligible working dads or partners with up to two weeks of Government-funded pay.

The payment is equal to two weeks at the rate of the National Minimum Wage (currently around \$622 per week before tax).

This payment is taxed.

Full-time, part-time, casual, seasonal, contract and self-employed workers may be eligible.

Dads or partners have to be on unpaid leave or not working to receive the payment.

The payment can be made once the claim is finalised, or you can choose to take your Dad and Partner Pay at a later date, but within 12 months of the birth or adoption of the child.

If eligible, your family can receive the Baby Bonus (up to 1 March 2014) or the Government's Parental Leave payment for the same child for which you receive Dad and Partner Pay.

As an individual, you may be able to receive both Dad and Partner Pay and Parental Leave pay (but not at the same time).

You can receive a maximum of 18 weeks' pay under the Paid Parental Leave Scheme as an individual.

ARE YOU ELIGIBLE FOR THE FEDERAL GOVERNMENT'S DAD AND PARTNER PAY?

If you are providing care for a child who is a newborn or adopted child you may be eligible for the Federal Government's Dad and Partner Pay.

To be eligible for the Dad and Partner Pay, you must be on a period of unpaid leave or not working and you must satisfy the same requirements as for the Paid Parental Leave payment, including the work test, income test and residency requirements (see above).

❗ Please note: payment of Dad and Partner Pay is only made if an employee is on unpaid leave or not working.

Unpaid leave for the purpose of taking Dad and Partner Pay is a period of concurrent leave under the Fair Work Act, and should be made available by an employer even when an employee has an accrued paid leave entitlement.

If dads/partners are experiencing difficulties accessing unpaid leave from their employer for this purpose, please contact the SDA.

CLAIMING DAD AND PARTNER PAY

The dad or partner needs to claim the payment. Claims will not be accepted from the birth mother.



You can start your claim for Dad and Partner Pay up to three months before your child's expected date of birth or adoption.

We recommend claiming early so you can be paid as soon as possible.

If you have already taken your period of unpaid leave following the birth or adoption of your child and have not yet claimed Dad and Partner Pay, you will not miss out.

If you wish to receive the full two-week payment you must claim within 50 weeks of your child's birth or adoption.

If eligible, you can get Dad and Partner Pay any time in the 52 week period after your child's birth or adoption.

You can choose when your Dad and Partner Pay period will start.

It can start from the day your child is born or adopted, or it can start later. To receive the full two weeks of Dad and Partner Pay, you must lodge your claim at least 14 days before your child's first birthday or anniversary of adoption.

You will need the following information before you fill out your claim form for Dad and Partner Pay:

- Your Centrelink Reference Number (if you have one).
- Your bank account details.
- Your Tax File Number (TFN).
- Information about your Australian residence (for example, citizenship papers, passport or other documentation).
- Your work history information.
- Information about your income for the financial year before either the date you are claiming, or your nominated Dad and Partner Pay period start date (whichever is earlier).
- Your child's expected or actual date of birth or adoption.
- The date you would like your Dad and Partner Pay period to start.

Claims may be lodged by:

- going to the Department of Human Services website at www.humanservices.gov.au and registering as a customer with Online Services and then completing an online claim form; or
- visiting a Department of Human Services Service Centre, either Centrelink or Medicare; or
- Calling Centrelink on 13 61 50 to request a paper claim form or for any other assistance.

The Department of Human Services will need proof of your child's birth or adoption before they can pay you.

If the birth mother has provided this as part of an application for Paid Parental Leave, you will not need to provide this again.

You will be informed of the outcome of your claim. If your claim is refused you have the right to appeal the decision.

If your claim is finalised before your Dad and Partner Pay period starts, you will be paid on the first day of your Dad and Partner Pay period. You should be able to access the money in two business days.

If your claim is finalised after your Dad and Partner Pay period starts, expect to be paid within 28 days.

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The Shop, Distributive and Allied Employees' Association believes the enclosed material to be accurate at the date it was compiled. However, the material is not intended as a substitute for professional advice on specific circumstances. The Shop, Distributive and Allied Employees' Association accepts no responsibility for actions or decisions made on the basis of information contained in this Paid Parental Leave Information booklet. If in doubt, professional advice should be sought.

14



A Message from your Secretary, Barbara Nebart

“ The SDA has been arguing for the introduction of a Government-funded National Paid Parental Leave Scheme for all parents for over 30 years, which we finally achieved in January 2011 under the Australian Labor Government.

This is good news for parents because it provides increased financial security at a vulnerable time for families, thereby helping to ensure parents and babies have time to recover from the birth and to bond.

The purpose of this leaflet is to inform parents of their entitlements and to encourage them to claim Government Paid Parental Leave as early as possible, especially if they want the payment to commence immediately after the birth of their baby.”

Need more information? Contact the SDA

**Shop, Distributive and Allied Employees' Association,
Newcastle & Northern Branch**

✉ PO Box 2211, Dangar NSW 2309

☎ Phone (02) 4961 4694

📠 Fax (02) 4962 2598

🌐 Website www.sdan.org.au

✉ E-mail secretary@sdan.org.au

