

# Paid parental leave. Information from your union.

Unions win paid parental leave for all working families.

Australian unions first won working mothers a right to 12 months unpaid maternity leave in 1979. After more than 30 years of campaigning, working parents will now get over \$10,000 financial support when they need it most – after the birth of a child.

What is the new paid parental leave entitlement?

From 1 January 2011, a new Government paid parental leave scheme will provide all eligible working parents with 18 weeks payment at the Federal Minimum Wage (currently \$569.90 per week or \$10,258 in total).

What if my employer already provides paid parental leave?

The new Government payment is IN ADDITION to any payments your employer currently provides and MUST NOT replace your existing employer-paid parental leave entitlements.

Should my union still bargain for better parental leave?

- Yes. Union members should continue to seek new and better entitlements from employers, including:
- A 'top up' to the Government's payment so parents get their full income replaced
- Superannuation for the period parents are on parental leave
- Paid leave for partners
- Longer periods of employer-provided paid parental leave
- The right for employees returning from parental leave to permanent part-time work

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## **The Paid Parental Leave Scheme**

The new Federal Government Paid Parental Leave (PPL) scheme starts on 1 January, 2011 and replaces the current Baby Bonus for eligible parents.

The PPL scheme provides 18 weeks payment at the federal minimum wage (\$569.90 per week or \$10,258 in total).

This amount is a flat rate available to all eligible parents including part- time or casual employees earning less than \$150,000 per year.

## **Eligibility**

To be eligible for the government PPL Scheme, you must have completed at least 330 hours work (1 day per week) for 10 months in the 13 months prior to birth. This includes casuals, contractors and self- employed workers.

Primary care givers individually earning more than \$150,000 in the financial year prior to the date of birth or adoption are ineligible for paid parental leave.

Primary care givers who don't meet the minimum work requirements outlined above may still be eligible for the Baby Bonus.

## **What happens to the paid parental leave provided by my employer?**

The government intends that the new payment will be in addition to any PPL entitlements already provided by your employer.

This means employers cannot withdraw any paid parental leave PPL in an existing workplace agreement and must not use the new Government payment to replace your employer-paid parental leave entitlements. If your employer tries to cut or change existing schemes to disadvantage workers, contact your union or the Unions Australia hotline on 1300 486 466.

It is very important that your employer continues to provide any existing paid parental leave you are entitled to in addition to the Government payment so that you are not worse off as a result of the new scheme.

## **The Baby Bonus**

PPL recipients are not entitled to the tax-free \$5,000 baby bonus or Family Tax Benefit B.

Parents eligible for the government scheme may elect to receive the Baby Bonus instead of paid parental leave if it is more beneficial for them to do so.

A calculator to assist parents to calculate whether the baby bonus or parental leave scheme best suits them will be available on the Family Assistance Office website.

When can I take the government PPL?

The scheme will be implemented from 1 January 2011 for babies born or adopted after this date. Parents can apply for paid parental leave 3 months before the expected date (1 October 2010 at the earliest).

The Government PPL must be taken after the birth or adoption of the child and within 12 months of that event.

Paid parental leave may be shared (not concurrently) between eligible parents.

### **How do I apply for PPL?**

Employees are responsible for making the application to the Family Assistance Office. You may apply for a preliminary determination from the Family Assistance Office that you are eligible for PPL. Once your baby is born you need to verify the birth and then PPL payments can commence.

### **How do I receive my PPL entitlement?**

The Government provides the payment to the employer to pass on to employees through their existing payroll system.

If you have not been employed with the employer for more than 12 months, payment is made via the Family Assistance Office.

### **What happens if my employer fails to pass on the government PPL payment?**

You should notify both the Family Assistance Office and your union. The Family Assistance Office may pay the PPL to you directly until the dispute is resolved.

### **Employer contributions to the Government paid parental leave scheme**

Employers do not contribute to the government PPL scheme.

Employers are not currently required to provide minimum superannuation contributions during the period of Government PPL and no leave entitlements accrue for employees during the period of Government paid parental leave.

### **Does my union still need to bargain for paid parental leave with my employer?**

Yes. Unions believe that employers should also contribute to PPL for their employees, just as they provide other leave entitlements. The Government scheme is separate to what your employer provides and you should continue to negotiate new or better paid parental leave from your employer.

When negotiating for new or better paid parental leave from your employer, your workplace bargaining team may seek to tailor your claims in light of the new Government scheme.

For example, bargain for improvements such as:

A 'top up' to the Government's 18 weeks Federal Minimum Wage payment to 18 weeks full income replacement payment so that parents can access their normal wages during a period of high financial pressure;

Unions are aiming for a total of 26 weeks PPL (including employers existing PPL Payments) at full income

Payment of superannuation contributions during paid/unpaid parental leave. This is essential to ensure that women continue to save for their retirement when taking parental leave;

At least 2 weeks paid / secondary care-givers (paternity) leave so that together parents can care for their newborn child in the early weeks;

Extending the amount of employer-provided paid parental leave that may be taken prior to the expected date of

birth or at half pay; or

Provide employees with the right to part-time work when returning from parental leave.

### **Is the campaign for paid parental leave over now?**

No. While we are overjoyed to finally have achieved PPL for Australian families, we still need your support to campaign for improvements to the scheme. In 2013 the Government will review the scheme and consider:

Employer superannuation contributions during paid parental leave; and

Provision of paid paternity or leave for secondary care givers.

Unions will continue to campaign to improve the Government scheme. Employers should be required to top up the minimum wage component provided by the government to the level of the employee's ordinary wage rate, and to provide part time work to employees returning from paternity leave.

### **Where can I get more information?**

Further details of the government scheme are available on the website of the Families, Housing, Community Services and Indigenous Affairs website at: [www.fahcsia.gov.au](http://www.fahcsia.gov.au)

More information, including additional resources for members such as posters and bargaining kits, can be found on the Australian Council of Trade Unions website at: [www.actu.org.au](http://www.actu.org.au)