

PAID PARENTAL LEAVE STARTS TODAY

JUNE 2010

The *Paid Parental Leave Act 2010 (Cth)* commences today, introducing Australia's first paid parental leave scheme which starts as of 1 January 2011.

The scheme provides eligible working mothers and other primary carers of children born or adopted on or after 1 January 2011 with up to 18 weeks of government-funded paid parental leave (**PPL**) at the minimum wage (currently \$569.90 per week before tax).

Expectant mothers (or the relevant primary carer) can lodge applications with the Family Assistance Office up to three months before the birth or adoption of the child. This means that applications can be lodged from today, 1 October 2010.

The first payments, however, will not be made until after 1 January 2011 as the scheme only applies to children born or adopted after that date. The birth of the child must be verified before PPL will be paid. Special rules apply to stillborn or premature babies.

The mother or other primary carer must satisfy various tests, including:

- having an adjusted taxable income less than the threshold amount of \$150,000 per year (this is based on the mother's income only and does not take her partner's income into account);
- having worked continuously for at least 10 of the 13 months preceding the expected birth or adoption of the child, with a break of no more than eight weeks between any two working days (the employment can be full-time, part-time or casual);
- having completed at least 330 hours of paid work during that period (i.e. an average of one day's paid work per week); and
- being an Australian resident living in Australia or resident at the date of birth of the child and remain so for the parental pay leave period (there are other criteria for the "residency test" which may entitle, for example, a New Zealand citizen living in Australia to PPL).

From 1 January 2011 until 1 July 2011 PPL will be paid by the Family Assistance Office, unless the employer agrees to be the "paymaster" for the PPL payment.

After 1 July 2011, where an eligible working parent or primary carer has twelve months of continuous service with their employer (or, if the parent is a casual employee, has worked a series of engagements during at least 12 months on a regular and systematic basis), the employer will be the "paymaster" of the PPL. The intention of this aspect of the scheme is to maintain the connection between the mother and her employer, with a view to her returning to work after PPL.

If you have any questions in relation to this bulletin then please do not hesitate to contact any of the members of CG Law's workplace relations team.

Danny Clifford
Clifford Gouldson Lawyers
P +7 4688 2101
E danny@cglaw.com.au

Ben Foley
Clifford Gouldson Lawyers
P +7 4688 2108
E benfoley@cglaw.com.au

Nadia De Pascali
Clifford Gouldson Lawyers
P +7 4688 2115
E nadia@cglaw.com.au

Joanna Maloney
Clifford Gouldson Lawyers
P +7 4688 2114
E joanna@cglaw.com.au

Disclaimer: This Bulletin is intended to provide a general summary only and should not be relied on as legal advice.

Privacy: We collect information to assist us in performing and promoting our legal services. We do not disclose information about you to any person, unless we are required to do so by law. If you no longer wish to receive our e-mails, please e-mail mail@cglaw.com.au and type "remove" in the subject line.

Copyright: This document and its contents remain the copyright of Clifford Gouldson Lawyers. © 2010