

Paid Parental Leave Reminder December 2010

As we told you in our [Alert](#) of 18 June 2010, Australia has recently adopted a Government funded paid parental leave scheme (**GPPL**) which will provide up to 18 weeks' payment (to a total amount of \$10,258.20) to parents of **children born or adopted after 1 January 2011**.

Eligible employees were able to register with the Family Assistance Office (**FAO**) from

1 October 2010. Employers should ensure that they are familiar with the eligibility requirements in order to respond to employee queries regarding access to this scheme.

Eligibility requirements

To be eligible to receive government funded paid parental leave, an employee must:

- **Satisfy the work test** - This is satisfied if the employee has worked for at least 330 hours, over a 10 month period, in the 13 months before the birth or adoption of the child. During this 13 month period, the employee can take a break of up to 8 weeks between each eligible work day.
- **Satisfy the income test** - This is satisfied if an employee earns less than \$150,000 per annum.
- **Satisfy the Australian residency test** - This is satisfied if the employee is a citizen or resident, or has an appropriate class of visa
- **Be the primary carer of the child** - The purpose of GPPL is to enable parents to spend time with their new child during the first few months after adoption or birth. However, other primary carers (such as grandparents) may be eligible to claim GPPL if they become the primary carer of a child.

- **Have not returned to work** - Employees are entitled to attend work for up to 10 so-called 'keeping in touch' days while on paid parental leave.

Application and facilitation of payments

An eligible employee can make an application to the FAO, seeking payment of the GPPL for a child born or adopted after 1 January 2011.

From 1 January 2011 until 1 July 2011, the FAO will facilitate payments to employees, although employers can nominate to facilitate payments during this time.

From 1 July 2011, the FAO will pay employers the GPPL, which they must then pay to the employee as part of their regular payroll cycle.

Interaction with employer funded paid parental leave

The GPPL scheme will operate alongside employer-funded paid parental leave schemes, with the effect that an employee can receive GPPL and parental leave funded by their employer.

Actions for employers

All employers should ensure that:

- existing policies and procedures are not incompatible with the existence of GPPL; and
- payroll systems are updated to reflect the special nature of the GPPL, which you will be required to process from 1 July 2011.

For further information, please contact a member of our [Employment & Safety team](#).