



# AUSTRALIAN EDUCATION UNION **Victorian Branch**

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## **AEU members** advice sheet

### **Paid parental leave (PPL) — federal scheme**

The Australian Government introduced Australia's first national paid parental leave (PPL) scheme on 1 January 2011.

Claims and registration can now be made, and must be done through the Family Assistance Office (online or via the FAO at Medicare offices — details below).

The AEU welcomes this scheme but will continue to bargain for improvements which will include payment of superannuation, counting the PPL as service and bringing the 18 weeks' PPL up to full replacement wage.

#### **Background**

Paid parental leave is funded by the Australian Government and paid at the national minimum wage — currently (January 2011) \$570 a week before tax. This payment is taxable and lasts for up to 18 weeks.

PPL will not reduce any existing paid maternity leave (PML) entitlements paid for by the employer (Victorian Education Department, school council, TAFE institute, AMES, early childhood centre or a disability service).

Eligible parents may receive PPL before, after, or at the same time as employer-provided paid leave such as maternity leave, annual leave and long service leave, and employer-provided unpaid parental leave.

PPL is, in most cases, for mothers who have been working before the birth of their child, and must be claimed initially by the mother.

If the parent returns to work early, their parental leave pay will stop. The unused part of their pay can be transferred to their partner if the partner meets the scheme's eligibility criteria and claims the unused parental leave pay.

Any work at all may be considered "a return to work", so casual or CRT work should not be undertaken during PPL.

#### **Eligibility**

How to decide if you are eligible for Federal PPL? You need to meet the PPL work test:

- You must have worked continuously for at least 10 of the 13 months prior to the birth or adoption of your child, **AND**
- You must have worked for at least 330 hours in that 10-month period (ie, just over one day a week), with no more than an eight-week gap between two consecutive working days.

A working day is a day you have worked for at least one hour. You do not need to be working full-time to be eligible for parental leave pay. You may meet the work test even if you:

- Are a part-time, casual or CRT
- Have multiple employers, **OR**
- Have recently changed jobs.

#### **How to register for the scheme**

Registration must be done through the Family Assistance Office (online or via the FAO at Medicare offices). Details at [tinyurl.com/au/xxs](http://tinyurl.com/au/xxs).

This new federal PPL must be taken within 12 months of the birth of the child.

PPL can be taken at the same time as any existing PML or after it (but cannot be taken before the birth). You retain your PML entitlement paid by your employer and are now also entitled to 18 weeks PPL at the federal minimum wage (approx \$570 per week).

More information is available from [www.familyassist.gov.au](http://www.familyassist.gov.au), or call the Family Assistance Office on 13 61 50.

#### **PPL or Baby Bonus — which option is better for you?**

Working parents can choose whether to claim paid parental leave or the Baby Bonus, depending on which is better for them. To help work this out, an online estimator is available.

The AEU can provide advice about your entitlements under both schemes but each individual situation will be different. The AEU cannot give individual financial recommendations due to the complexity of individual circumstances.

It is strongly recommended that you use the PPL Comparison Estimator at [tinyurl.com/au/wot](http://tinyurl.com/au/wot).

Your individual circumstances will dictate when you take the federal PPL (which can be taken as a lump sum during your PML) The PPL is taxable income so it may affect your Family Tax Benefits. You can instead take the Baby Bonus (which is not taxable).