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BUSINESS ACCOUNTANTS



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Paid parental leave scheme from 1 January 2011

The Australian Government's Paid Parental Leave scheme started on 1 January 2011.

Eligible employees with a child born or adopted on or after 1 January 2011 can take 18 weeks of paid parental leave at the national minimum wage, which is currently \$570 a week before tax.

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

You may be eligible for Parental Leave Pay if you:

- are the primary carer of a newborn child or recently adopted child
- are an Australian resident
- have met the Paid Parental Leave work test before the birth or adoption occurs,
- have received an individual adjusted taxable income of \$150,000 or less in the financial year prior to the date of birth or date of claim, whichever is earlier, **and**
- are on leave or not working from the time you become the child's primary carer.

From 1 July 2011, employers must provide parental leave pay to their employees who have been with their business at least 12 months before the expected date of birth or adoption of their child.

An employer's role in the scheme can start earlier if the employer and employee agree. Employers should get ready by registering now via Centrelink business online services.

The Family Assistance Office will provide employers with funds to pay parental leave to their employees. They will also contact employers to start this process.

Employers don't need to change their employee's usual pay cycle, set up special bank accounts or report back to the Family Assistance Office.

The just have to provide the parental leave pay to their employee with the usual tax deducted.

Employers will not need to make super contributions on parental leave pay. Also, it will not increase employers', payroll tax liabilities or workers compensation premium liabilities.

"ACCOUNTANTS
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