

What is the Paid Parental Leave Scheme?

The arrival of a new family member is an exciting time, and it's important to get the help you need during this big life change. The government's Paid Parental Leave Scheme provides financial support to employees while they take time off to care for a newborn or recently adopted child.

How does it work?

The Paid Parental Leave Scheme (scheme) provides income tested and work tested payments that enable eligible employees to take time off work to care for a newborn or newly adopted child. Payments under the scheme may also be available in the unfortunate circumstance a child is stillborn or passes away.

There are two payments under the scheme, both payable at the rate of the [National Minimum Wage](#), currently \$753.90 per week before tax :

- Parental Leave Pay, which provides up to 18 weeks' pay to eligible primary carers (such as birth mothers), and
- Dad and Partner Pay, which provides up to two weeks' pay to eligible dads or partners.

Parental Leave Pay

To receive the full 18 weeks of payment, a claim must be made to Services Australia within 34 weeks of a child's birth or adoption and at least 18 weeks before an eligible person returns to work (exceptions may apply). Claims can also be lodged up to three months prior to the birth or adoption of a child.

To be eligible, a person must satisfy all the following criteria:

- Be the primary carer for a newborn or recently adopted child. An adopted child must be under 16 years of age when they come into their care,
- Meet Australian residence requirements,
- Have met the Paid Parental Leave work test before the birth or adoption occurs,
- Have an individual adjusted taxable income of \$150,000 or less in the financial year before the date of birth or adoption or date of claim, whichever is earlier, and
- Be on leave or not working from the time they become the child's primary carer until the end of the Paid Parental Leave period.

Once approved, it can be claimed in two Paid Parental Leave periods. The **first period** is set at 12 weeks and must be used in one continuous period within 12 months of the birth or adoption of a child.

The **second period** is flexible for up to 30 days and can be taken anytime within 24 months of the birth or adoption of a child.

If an employee wishes to return to work before the end of their Paid Parental Leave period, they may transfer some or all of the payment to their partner who must also satisfy the eligibility criteria for the payment.

Refer to the [Claim for Paid Parental Leave and Family Assistance form \(FA100\)](#) for more detail.

Dad and Partner Pay

To be eligible for the payment, claims must be lodged with Services Australia:

- Up to three months before the expected date of birth or date the child comes into a person's care, and
- No later than 52 weeks after the date of birth or date the child came into a person's care.

An employee is eligible for the payment if they satisfy all the following criteria:

- Be caring for a child born or who came into their care. An adopted child must be under 16 years of age when they came into their care,
- Be an eligible father or partner,
- Have care of the child for each day in the Dad and Partner Pay period,
- Have met the Dad and Partner Pay work test,
- Meet Australian residence requirements,
- Have an individual adjusted taxable income of \$150,000 or less in the financial year before the start date of the Dad and Partner Pay period or date of claim, whichever is earlier,
- Not be working during the Dad and Partner Pay period, and
- Not be taking paid leave (such as employer provided paid paternity leave or annual leave) during the Dad and Partner Pay period.

Please note a person must be eligible for each day of the Dad and Partner Pay period.

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The payment is available to eligible working fathers and partners, including adopting parents and parents in same-sex couples. An eligible father or partner is a:

- biological father of the child
- partner of the birth mother
- adoptive parent
- partner of an adoptive parent
- person caring for a child born of a surrogacy arrangement

In some limited circumstances a person may be eligible if they are either the:

- partner of the biological father
- partner of a new carer where care arrangements have changed (other than a foster care or permanent care arrangement)

Please note birth mothers are not eligible for this payment.

Refer to the [Claim for Dad and Partner Pay form \(FA080\)](#) for more detail.

Other considerations

Eligible employees or their partners cannot receive Family Tax Benefit Part B during Paid Parental Leave periods. Recipients of Family Tax Benefit Part B should pause the payment before commencing Parental Leave Pay to avoid overpayment.

JobKeeper Payment and Parental Leave Pay cannot be paid at the same time.

Both Parental Leave Pay and Dad and Partner Pay are treated as taxable income and assessed as income for some social security entitlements.

Parental Leave Pay is often paid to the employer, who then pays the employee. This does not change paid parental leave from an employer as an employee can receive both.

Employees can use Parental Leave Pay before, after or at the same time as their paid and unpaid entitlements such as annual leave, long service leave and unpaid parental leave.

If parent's have worked continuously for their employer for 12 months or more, they may be entitled to unpaid parental leave under the National Employment Standards in the Fair Work Act 2009. If employed for under 12 months, employees may ask their employer if they are open to negotiate unpaid leave.

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