Paid Parental Leave Reform

Paid Parental Leave Amendment (Flexibility Measures) Bill 2020 (Cth)

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Agenda

• Recap: Current Paid Parental Leave entitlements
• Key Dates
• What is changing?
• Interaction with *Local Government (State) Award*
• Questions?
Current Paid Parental Leave entitlements (Federal Government)

- Government funded of up to 18 weeks of payment for eligible recipients
- Weekly rate – is at national minimum wage ($740.60)
- Can be taken any time within 12 months of birth – but would need to commence at least 34 weeks from birth to get full eligibility.
Eligibility:
- be the primary carer of a newborn or newly adopted child
- have individually earned less than $150,000 in the last financial year
- not be working during the Paid Parental Leave period
- have met the work test in the 13 months before the child’s birth or entry into care.
Key dates

• 1 April 2020 - Commencement of bill *
• 1 July 2020 – Births after this date eligible for new scheme *
  * Dates in Bill/EM – subject to bill passing both houses of parliament
• Current Status – referred to Senate Community Affairs Legislation Committee (Report due 19 March 2020).
What is changing?

- No change to eligibility or amount or total length of leave
- Changes relate to flexibility in the time and manner in which PPL can be taken
- Currently 18 weeks have to be taken within the first year in one block
- Under the new provisions, PPL will be able to split into one 12 week block, and the remaining 6 weeks being able to be taken at any time in a flexible PPL period up until 2 years after birth.
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<th>Current</th>
<th>New</th>
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<td><strong>12 Months</strong></td>
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<td>18 Weeks PPL</td>
<td>Unpaid Leave or return to work</td>
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<td><strong>24 Months</strong></td>
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<td>12 Weeks PPL</td>
<td>Flexible PPL Period in which the remaining 6 weeks can be taken</td>
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How flexible PPL may be taken

• In one 18 week block – same as current arrangements;
• Where employee doesn’t want to be away from role for 18 weeks, they could arrange to take 12 weeks after birth, return to work then take the remaining 6 weeks later in the year (e.g. over Christmas/New Years);
• To facilitate a part time return to work, where after 12 weeks of PPL a parent makes an arrangement with employer to work 4 days, taking 1 day PPL flexibly for 30 weeks;
• A mother takes 17 weeks PPL after birth, then the father takes 1 week 18 months later to support transition to child care;
Interaction with *Local Government (State) Award 2017*

- Clause 21.G (iii) – Parental Leave Make up Pay Top Up
- Eligibility for this “12 months continuous service … immediately prior to the commencement of PPL”
- May expand eligibility for award top up entitlement to employees who would have had insufficient service if PPL taken in first 18 weeks, but take Flexible PPL later in the flexible PPL period when 12 months continuous service has been reached.
Questions?