

Public Sector Industrial and Employee Relations

Level 25, 50 Ann Street Brisbane QLD 4000

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Circular No. C5-10

Date 8 November 2010

Commonwealth Paid Parental Leave Scheme

The Commonwealth Paid Parental Leave (CPPL) Scheme will commence on 1 January 2011. The CPPL Scheme gives new parents greater flexibility to make decisions about work and family responsibilities when they give birth or adopt a child.

What is CPPL?

The CPPL Scheme will provide eligible working parents who take parental leave with payments at the rate of the National Minimum Wage for up to 18 weeks. The CPPL Scheme does not provide an entitlement to parental leave.

Who is eligible?

Generally, CPPL payments will be for working parents of a child born or adopted on or after 1 January 2011.

To be eligible for CPPL payments, a person must meet the CPPL work test, income test, and residency requirements. The Family Assistance Office (FAO) will determine whether or not a person is eligible for CPPL payments based on information on the application form.

How to apply

Employees should advise their manager prior to applying for CPPL payments, to ensure their application is accurate.

Applicants must lodge a claim with the FAO and supply the required information. Employees should lodge their claim three months prior to the expected date of birth, or date of placement for adoption of a child.

Queensland public sector employees can lodge their claims from 1 October 2010 for children with an expected date of birth, or date of placement for adoption, on or after 1 January 2011.

Impact of CPPL Payments on current entitlements

Eligible Queensland public sector employees can access CPPL payments in addition to their existing parental leave entitlements. The CPPL Scheme is independent of other leave entitlements, including parental leave and adoption leave, in the Queensland public sector. Queensland public sector entitlements will continue to operate unchanged.

This means that a Queensland public sector employee who is eligible for the CPPL Scheme will receive CPPL payments in addition to their parental leave entitlements under the relevant Queensland public sector legislation, industrial instruments or directives.

The CPPL Scheme provides eligible employees with Parental Leave payments only, and does not give Queensland public sector employees an entitlement to leave. The scheme does not change any existing parental leave entitlements.

Eligible employees cannot receive both CPPL payments and the Baby Bonus. From 1 October 2010, employees will be able to use the [Paid Parental Leave Comparison Estimator](#) on the Centrelink website to help decide which payment is the best financial decision for their family.

Payment of CPPL

An employee may choose when to receive CPPL, but must receive all CPPL payments within 12 months of the date of birth or date of placement for the adoption of a child. CPPL payments are only paid while the eligible employee is on parental leave (paid or unpaid). CPPL payments cease if the employee returns to work during the payment period.

Between 1 January and 30 June 2011, eligible Queensland public sector employees will receive CPPL payments directly from the FAO (Centrelink).

From 1 July 2011, like all other employers, Queensland Government will assume the role of paymaster for its eligible employees receiving CPPL payments. Most eligible Queensland public sector employees will receive CPPL payments from their employer, as they would their usual salary.

How will CPPL affect my tax situation?

Although CPPL Scheme payments are regarded as taxable income, the Commonwealth Government does not require employers to make superannuation contributions on these payments.

Employees may elect to salary sacrifice all or part of their CPPL Scheme payments.

Please note that from 1 July 2011, when the employer is the paymaster for CPPL, if eligible

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employees elect to receive CPPL payments in the same pay cycle as other leave payments, then tax will be calculated on the **TOTAL** earnings for the cycle – this may also impact an employee's HECS / HELP taxation liability.

Keeping in Touch

A Queensland public sector agency and an employee can agree to 'keep in touch' during an employee's period of CPPL. This means that an employee can agree to participate in activities at the workplace for up to ten days during the CPPL payment period without losing their entitlement to CPPL pay. For example, an employee may wish to attend a training day or a planning day before they return to work. These days need not be consecutive, and any day on which an employee has worked for one hour or more is counted as one working day.

Both an agency and an employee must agree to an employee participating in 'keeping in touch' activities. An agency cannot direct an employee to work during their period of CPPL. An agency should not recall an employee to duty as per clause 4.11 of the Paid Parental Leave Directive to perform normal work during the period of CPPL as this may breach the CPPL Scheme rules for keeping in touch.

Where an employee has any doubt that a recall to duty is not a 'keep in touch' day he or she may decline the offer of a recall to duty to avoid breaching the CPPL Scheme rules, forfeiting his or her CPPL pay, and having to return any overpayments received.

An employee who has a 'keep in touch' day is to receive casual rates as prescribed in clause 4.11 of the Paid Parental Leave Directive, as well as CPPL pay for that day. Note that 'keep in touch' activities do not extend an employee's period of CPPL.

More Information

Queensland public sector employees are encouraged to find more information about their entitlements and responsibilities under the Commonwealth Paid Parental Leave Scheme by:

- Accessing the [Centrelink](#) website
- Accessing the [Family Assistance Office](#) website
- Downloading the '[Paid Parental Leave – Information for Parents](#)' booklet
- Contacting the Family Assistance Office on 13 61 50 or visiting an office in person.
- Contacting your human resources division.

Queensland public sector agencies are encouraged to find more information about their obligations under the Commonwealth Paid Parental Leave Scheme by:

- Accessing the [Family Assistance Office](#) website
- Downloading the '[Paid Parental Leave – Information for employers and consultation outcomes](#)' booklet
- Downloading the '[Paid Parental Leave – Employer Business Requirements Statement](#)'
- Contacting PSIER on 3225 2449.

Paul Casey
Executive Director

The Division of Public Sector Industrial and Employee Relations provides policy advice and consultancy and training services to Queensland Government departments and agencies. It is part of the Department of Justice and Attorney-General. Employer enquiries about this circular should be directed to Nick Gillespie on telephone 07 322 52449.

- General enquiries about public sector industrial and employee relations matters should be directed to telephone 07 3239 0402.
- Written enquiries should be addressed to:
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Copies of all current circulars issued by Public Sector Industrial and Employee Relations are available from the department's web site at <http://www.justice.qld.gov.au/fair-and-safe-work/industrial-relations/queensland-government-employees>

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