



## MACBITES

### PAID PARENTAL LEAVE SCHEME HAS STARTED

From 1 July 2011, employers will be responsible for providing parental leave pay to eligible employees who have, or adopt, a child. Centrelink will contact you if you are required to provide parental leave pay to an employee, and will provide you with the required funds before you need to pay your employee.

You will need to withhold the usual PAYG tax. However, you do not have to pay Superannuation Guarantee Contributions on parental leave payments. *Payments made by employers will be reported as part of the gross amount on the payment summary.*

You do not have to change your employee's usual pay cycle, set up any special bank accounts or report back to Centrelink. Costs incurred in administering the scheme will be tax deductible.

The employee can receive up to 18 weeks of Parental Leave Pay at the National Minimum Wage, currently \$589.40 per week.

Parental Leave Pay and Baby Bonus cannot be paid for the same child. If an employee meets the eligibility criteria for both payments, they can choose which payment is the best financial decision for them.

Parental Leave Pay may affect the employee's other family assistance entitlements, child support and taxation obligations.

More information, and a Paid Parental Leave Comparison Estimator, can be found at [www.centrelink.gov.au](http://www.centrelink.gov.au).

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