



# Paid Parental Leave Changes 2023 Fact Sheet

The Australian government has announced changes to the Paid Parental Leave Scheme.

Make sure you're up to date with the various changes with our fact sheet.

## Introduction

The Australian government has announced plans to extend the paid parental leave over the next four years.

This move is aimed at closing the gender pay gap, increasing women's participation in the workforce, and providing families with more flexibility during important stages of their children's development.

## The New Scheme

- From 1st July 2023 Parental Leave Pay and Dad and Partner Pay are **combining into one payment.**
- The payment will increase from 18 weeks to **20 weeks.**
- Each July, this amount of leave will increase by 2 weeks until July 2026 when the payment available to families will be **capped at 26 weeks.**
- **A combined family income limit will also be introduced.** To be eligible for the payment a family's combined adjusted taxable income must be \$350,000 or less per financial year. The existing individual income limit of \$156,647 will not change.
- If a person does not meet the individual income limited, then the combined family income will be applied instead. This will happen even if you are partnered or a single parent.
- Parents will be able to use this Parental Leave Pay until a child turns 2. Parents can share their Parent Leave Pay with each other and they can even take days at the same time. This can be done at the same time as paid leave and between periods of paid work. The aim of this is to provide families with greater flexibility to manage their work and care arrangements.

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## The New Scheme (cont.)

It is the intention that part of the Parental Leave Pay will be reserved for each parent to use. Any unused portions of Parental Leave Pay days will be lost if not used before the child turns 2, meaning that both parents are encouraged to take time out to enjoy this special time. Single parents will however be able to get the full amount of the payment.

There are also new exceptions to the rules when it comes to meeting the work test. If during the qualifying period an individual is subject to family and domestic violence or has a serious medical condition they will now become eligible for the Paid Parental Leave. Likewise if there is a natural disaster or a pandemic declared by the Commonwealth or a state or territory an individual will now become qualified.

## New Exceptions

There are also new exceptions to the rules when it comes to meeting the work test.

- If during the qualifying period an individual is subject to family and domestic violence or has a serious medical condition they will now become eligible for the Paid Parental Leave.
- Likewise if there is a natural disaster or a pandemic declared by the Commonwealth or a state or territory, an individual will now become qualified.

## Applying for Paid Parental Leave

The onus of application for Paid Parental Leave is still on the person applying for the leave. This needs to be done prior to the Employer being able to accept the application.



Do you require assistance in managing Paid Parental Leave in your business? Reach out to us!

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