



information about tax-payer funded parental leave

Form providing information that employers are required to give employees about paid parental leave under section 71T of the Parental Leave & Employment Protection Act 1987

A female employee is entitled to up to 12 weeks' payment for parental leave if she meets the eligibility criteria for parental leave, and takes leave for the birth of a child or when adopting a child under 5.

She may transfer some or all of her entitlement to payment to her spouse (husband or de facto partner, including same sex partner), if they are also an employee, are taking parental leave, and meet the eligibility criteria for parental leave.

Eligibility

An employee is eligible for paid parental leave if they:

- have worked for the same employer for at least 12 months up to the expected date of delivery of the child (or the expected date of adoption), for an average of at least 10 hours a week (including at least 1 hour every week or 40 hours in every month);
- have not been on parental leave during the year ending at the expected date of delivery of the child.

Payments are made only for periods of parental leave actually taken in respect of the child.

If two spouses jointly adopt a child, they must nominate which of them is primarily eligible to the parental leave payment. The nominated spouse can transfer some or all of the payment to the other spouse, if they are also eligible.

If an eligible employee dies or loses guardianship of the child, their spouse may succeed to the payment, which is then based on their earnings.

Employees should apply to their employer in writing for parental leave at least 3 months before the baby is due. However, employers may not unreasonably refuse a late application.

For further information about eligibility, call Employment Relations Infoline free on 0800 800 863.

Parental Tax Credit

Employees who are eligible for both paid parental leave and parental tax credit may choose whichever is better for them. The parental tax credit pays a maximum of \$150 a week for 8 weeks, a total of \$1200, and is abated against family income. Once the choice is made, it cannot be changed. Both parents must make the same choice: a family cannot receive both parental tax credit and parental leave payments for the same child.

For advice on which payment to choose, call Inland Revenue free on 0800 377 777

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Application

Employees who wish to receive parental leave payments must make an application to Inland Revenue on the relevant form, which is available from Employment Relations Infoline, call free on 0800 800 863 or online at www.ers.dol.govt.nz/parentalleave/forms/index.html.

Applications should be made as soon as possible, but will be accepted any time before the applicant returns to work at the end of their parental leave. The payment will be made fortnightly in arrears, and if necessary, will be backdated to the date when the employee started their parental leave.

Length of payments

Payments are available for a maximum of 12 weeks. If all or part of the payment is transferred, the maximum payment is 12 weeks shared between the parents. The payments are paid for a single continuous period for each parent.

Where the payment is not shared, the 12 weeks are paid from the start of the employee's parental leave. Where part or all of the payment is transferred, the second spouse's payment begins at the start of the leave period taken by that spouse. If both parents choose to take their leave at the same time, they could receive their payments at the same time.

Payment stops when the employee returns to work or resigns from their job, or at the end of a fixed term employment agreement.

The payment continues if the employee is dismissed or made redundant, has a miscarriage or is no longer caring for the child, or the employee or the child dies.

Amount of payment

The payment fully replaces the employee's earnings, at the rate of their ordinary weekly pay or average weekly earnings (whichever is greater), up to a maximum of \$325 (before tax) per week.

Employers are required to calculate this and include it on the employee's application form. If the employee has any concerns with the calculation they should discuss it with the employer, and, if still not satisfied, seek advice from Employment Relations Infoline, call free on 0800 800 863.

The payments are made to whichever parent is taking parental leave, based on their earnings.

If the employee is eligible for parental leave in more than one job, the payment replaces the total income from all those jobs, up to a maximum of \$325 (before tax) a week.

Entitlements under an employment agreement

An employee who is entitled to parental leave payments under an employment agreement continues to receive both those payments and the statutory parental leave payment. Employers and employees are free to negotiate any entitlements they see fit. However, employees are entitled to statutory paid parental leave only if they meet the statutory criteria, regardless of any enhanced criteria for parental leave under their employment agreement.

Notice of return to work

The employee must notify Inland Revenue (call free on 0800 377 777) if they return to work or resign from their job or their fixed term employment ends before the end of the paid parental leave period.

Enforcement

Labour Inspectors can enforce rights and benefits under the Parental Leave and Employment Protection Act, including assisting with disputes over eligibility for payment or parental leave. For further information or assistance, call Employment Relations Infoline free on 0800 800 863. They can provide more detailed advice or put you into contact with a Labour Inspector.