



Budget 2024-25

This information is accurate as of 14 May 2024.

Commonwealth Government-funded Paid Parental Leave – enhancement

This measure will add a superannuation guarantee payment to Paid Parental Leave. It'll also improve how employers interact with Services Australia when they provide Parental Leave Pay to an employee on behalf of the Australian Government.

Parents will get 12% of parental leave payments paid as a superannuation contribution if they meet both of the following:

- have children born or adopted on or after 1 July 2025
- are eligible for Australian Government Paid Parental Leave.

The payment will be taxed at the current superannuation tax rate of 15%. Payments made under this measure will count towards an individual's concessional contributions cap in the year they get the payments.

Paid Parental Leave can be taken flexibly, in blocks as little as one day. It can be taken from the child's date of birth or date of adoption, up until the child's second birthday or 2-year anniversary of adoption. Payments will be deposited in the financial year after the leave is taken.

Recipients won't need to do anything to get their superannuation guarantee payment. Services Australia will notify Paid Parental Leave recipients they'll get this payment. The Australian Tax Office (ATO) will deposit the superannuation payment directly to a recipient's superannuation account. Recipients can nominate a particular superannuation account with the ATO.

Services Australia will reduce regulatory impacts and improve the experience for all employers, particularly small businesses, that provide Parental Leave Pay to their eligible employees. This will involve designing new processes, communication products and quarterly online information seminars.

The measure is led by the Department of Social Services.

This measure is subject to legislation passing.

Who does this measure affect?

This affects:

- parents of children born or adopted after 1 July 2025 who get Paid Parental Leave
- third party organisations and their staff.

When will this start and finish?

The measure starts on 1 July 2025 and is ongoing.