

# Parental leave Best Practice Guide





## Parental leave Best Practice Guide

This best practice guide is for employers and managers. It explains the advantages of taking a best practice approach to parental leave.

It includes:

- Working at best practice
- Parental leave
- <u>Unpaid parental leave under the FW Act</u>
- <u>Government funded Parental Leave Pay</u>
- Flexible working arrangements
- Using best practice to support parental leave
- <u>Best practice checklist</u>
- <u>Where to find more information</u>.

It also has practical tips and case studies to help you move your business towards best practice.

## Working at best practice

Best practice employers recognise that retaining skilled employees when they have children is imperative to long term business success. These employers go beyond their minimum legal obligations and create practical, flexible and tailored parental leave policies for their business.

Every workplace can enjoy the benefits of taking a best practice approach to parental leave. These include:

- keeping experienced staff employees who feel supported in taking parental leave are more likely to remain attached and committed to their workplace
- smoother transitions for businesses and employees
- attracting skilled staff
- being a recognised employer of choice.

## Parental leave

Parental leave lets employees take time away from work for the birth or adoption of a child. The term 'parental leave' can include:

- unpaid parental leave under the Fair Work Act (FW Act)
- government funded Parental Leave Pay
- employer funded paid parental leave.

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## Unpaid parental leave under the FW Act

Under the FW Act, all employees who have worked with their employer for at least 12 months can take unpaid parental leave when they or their partner give birth or adopt a child. This includes casual employees who have been employed on a regular and systematic basis for at least 12 months and would have a reasonable expectation of continuing to do so if not for the birth or adoption of a child.

Working parents may both want to take parental leave at the same or different times. They can be working for the same or different employers.

When a parent takes parental leave, they can take up to:

- 12 months, or
- 24 months, if their employer agrees to extend their period of parental leave beyond the initial 12 months.

The leave can be taken as a single continuous period, flexibly, or a combination of both.

The amount of parental leave that can be taken as flexible parental leave depends on when the child is born or placed for adoption:

- before 1 July 2024 up to 100 days
- between 1 July 2024 and 30 June 2025 up to 110 days
- between 1 July 2025 and 30 June 2026 up to 120 days
- on or after 1 July 2026 up to 130 days.

If an employee has taken 12 months of unpaid parental leave, they can request to extend their leave for an additional 12 months. The request must be in writing and given to their employer at least 4 weeks before the end of the first leave period. Each parent can take up to 12 months, or 24 months in total if their employer agrees to extend their leave.

Employees taking unpaid parental leave have a return to work guarantee. This gives them the right to return to the position they held before their leave started. If their position doesn't exist when they return, the employee is entitled to an available position which is nearest in status and pay to their preparental leave position, and for which they are suitably qualified.

There are rules around taking unpaid parental leave, for example, how much notice needs to be given, when the leave can start, and evidence requirements. There are also specific rules for employers including when and how to respond to a request to extend parental leave.

To find out more about parental leave entitlements and your minimum legal obligations:

- check out our Parental leave and related entitlements fact sheet at <u>fairwork.gov.au/factsheets</u>
- visit our Parental leave section at <u>fairwork.gov.au/parentalleave</u>.

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## Government funded Parental Leave Pay

The Australian Government provides Parental Leave Pay (PLP) for working parents at the National Minimum Wage. Both the primary carer and their partner (including same sex partners) can access this payment if they meet the eligibility criteria.

This scheme gives eligible employees a payment during their leave – it doesn't extend the period of unpaid parental leave they can take under the FW Act. PLP is capped at a certain number of days (or weeks), depending on when the child is born or adopted. Employees can split up their PLP to include periods of both continuous and flexible parental leave if they choose to.

PLP is managed by Services Australia. For more information on this payment, including eligibility criteria, employees can visit <u>servicesaustralia.gov.au/parental-leave-pay</u>.

Employers can find out more about their obligations under the Paid Parental Leave scheme at <u>servicesaustralia.gov.au/pplemployers</u>.

### Flexible working arrangements

Under the FW Act, employees who are pregnant or are the parent or carer of a child who is school aged or younger may be able to request flexible working arrangements if they have worked for the same employer for at least 12 months. Examples of flexible working arrangements include changes to their hours, pattern or location of work.

There are rules for requesting flexible working arrangements and responding to these requests. Find out more about flexibility in the workplace and your minimum legal obligations, including responding to requests for flexible working arrangements at <u>fairwork.gov.au/flexibility</u>.

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#### **CASE STUDY – Flexible working arrangements**

Miriam has been working full-time for her employer in a marketing role for 3 years. She has recently found out she is expecting her first child. Miriam knows she will have a lot of routine appointments to attend in the coming months, and she's not sure how she can fit these in around her work.

After some consideration, Miriam decides to ask her employer if she can work a half-day from home on Thursdays so she can schedule all her appointments on Thursday mornings. She thinks she could work an extra hour on the other days of the week to make up the time.

Miriam sends an email to her employer requesting a flexible working arrangement. Miriam's employer sets up a meeting to discuss the request and is satisfied that the changes to Miriam's hours of work will not have any significant impact on the business.

Miriam's employer responds to her email approving the request, and suggests they review the arrangement in 8 weeks time.



## Using best practice to support parental leave

All employers must comply with their legal obligations, but there are many things you can do to make your business 'best practice' – that is, a great place to work.

Best practice doesn't look the same for all employers. The way to achieve best practice will vary between industries, business environments and the number of employees.

Below are initiatives and suggestions that can help you move your business towards best practice.

#### Paid leave and other benefits

Many best practice employers choose to provide a period of employer funded paid parental leave or other benefits to assist employees who are pregnant, on parental leave or returning to work.

Employer provided benefits are usually set out in an employment contract or a workplace policy. Enterprise agreements may also contain additional benefits.

Best practice benefits could include:

- providing pregnant employees parking at work or work from home arrangements
- paying the employee their normal wages during some or all of their leave
- topping up an employee's pay so they get their full wage when accessing government funded PLP
- giving employees the option of taking annual leave or long service leave at half pay during parental leave
- paying an employee's superannuation contributions while on parental leave
- allowing employees with less than 12 months' service to take parental leave
- continued access to benefits such as a company car, employer paid study, mobile phone or internet during parental leave
- allowing annual leave to accrue during periods of unpaid parental leave.

#### Develop a policy

A parental leave policy is a good way to show that your business values and supports its employees. A policy can help your managers and employees understand how parental leave works. It can also give your business an advantage to attract and keep staff.

When developing your parental leave policy, consider your legal obligations, business needs, and the views of employees. Developing your policy in consultation with employees will help to create a consistent and fair approach that works for everyone.

Your policy should acknowledge the importance of employees' parental and family responsibilities and complement other policies.



Your parental leave policy should include:

- **entitlements** explain employees' leave entitlements, including unpaid parental leave, government funded PLP and any employer funded benefits you'll provide
- **notice** provide information about when and how an employee should notify you of their leave and confirm their leave dates
- **evidence** include information about the types of evidence you may ask an employee to provide for taking the leave. For example, a medical certificate or statutory declaration
- transition include arrangements for the employee's smooth transition leaving and returning to work
- **keep in touch** explain the process the business will use to keep in touch with employees on leave
- **flexibility** include information about flexible working arrangements that may be available to assist employees before and after parental leave.

For further information about developing a parental leave policy see the Workplace Gender Equality Agency's Leading practice parental leave policy guide available from <u>wgea.gov.au/parental-leave</u>.

#### CASE STUDY – Parental leave policy

George is a business owner. He has introduced a parental leave policy to help staff understand parental leave entitlements and support staff returning to work after parental leave.

George's business now offers paid parental leave to staff who have been employed by the company for more than 12 months. The amount of paid leave is 20 weeks, made up of 10 weeks at full pay and 10 weeks at half pay.

While preparing the policy, George and his managers consulted staff. This led them to include more than just information about paid leave in the policy. George also promotes flexible work options to working parents, including pregnant employees, and automated reminders for managers to keep in regular contact with staff on parental leave and as they transition back to work.

George explains, 'We want our staff to return to work happy, motivated and productive. To achieve this, we provide the best support we can.'

#### Keep in touch

An employee on unpaid parental leave isn't required to participate in any work-related activities. However, they can choose to attend work meetings or perform work for the purpose of 'keeping in touch'. If the employee does take a keeping in touch day with the agreement of the employer, they're entitled to be paid at their usual rate.



**PRACTICAL TIP:** Employees don't usually accrue paid leave such as annual leave or sick/carer's leave while on unpaid parental leave. However, it does accrue during a keeping in touch day, as well as during periods of annual leave that they take during unpaid parental leave.



Under the FW Act, employees can access up to 10 keeping in touch days during their period of unpaid parental leave. Keeping in touch days cannot occur within 14 days of the birth or placement of the child (where the employee suggests the keeping in touch day), or within 42 days of the birth or placement of the child (where the employer suggests the keeping in touch day).

Good communication and planning will help you manage employees taking parental leave and help an employee on leave feel attached to the workplace, their career and their colleagues.

There are many ways to communicate effectively with staff during parental leave. These can include:

- meeting before the employee starts leave –find out the employee's expectations and preferences concerning contact during their leave. Talk about key contacts, handovers of work, important dates during their leave and how you will keep in touch
- **a buddy** nominate a colleague to forward important information about work to the employee while they're on parental leave
- **email update** send staff newsletters and updates to the employee's personal email account (where appropriate) or arrange for them to have remote access to their work email
- events invite employees on parental leave to attend social events, planning days, training or team building days.

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#### CASE STUDY – Keeping in touch

Joan runs a small retail business. She keeps staff on parental leave informed of any changes or opportunities for training. Joan also invites staff to attend team meetings and social gatherings with their child.

Jessica, one of Joan's staff said, 'When I went on parental leave my manager asked how I'd like to keep in touch. I asked to remain on the group email lists. It meant I still got messages and could check them in my own time on my phone. I was also invited to the annual planning day and end of year party. The keeping in touch days made me feel connected and less worried when I returned to work.'

#### Support employees returning to work

At the end of their parental leave, employees have the right to return to work in the position they held before starting their parental leave. If their position doesn't exist when they return, the employee is entitled to an available position for which they are suitably qualified, which is nearest in status and pay to their pre-parental leave position. See <u>Unpaid parental leave under the FW Act</u> above.

Communicate regularly in the lead up, to make sure you understand their needs.

Avoid making assumptions about what the employee will or won't want to do on their return. This will help you support their transition back to work.

Some employees who've been on parental leave may want to ask for a change in their working arrangements when they come back to work. They have a right to request flexible working arrangements under the FW Act. See <u>Flexible working arrangements</u> above.



Some employees may want to transition their working hours over an agreed period. For example, coming back 2 days per week for the first month, increasing to 3 days for the next month, and then returning to their normal working hours. This type of arrangement can help employees as they settle their child into childcare and adjust to their new role as a working parent.

An employee may be able to access any available PLP while they transition back to work.



**PRACTICAL TIP:** Some employees require suitable facilities to breastfeed or express breast milk when they return to work.

Best practice employers provide their employees with access to a suitable room and let employees take appropriate breaks to breastfeed or express.

Ask breastfeeding parents what they need when they return to work. Consider privacy, timing of breaks, comfortable seating, access to power for a breast pump and where to store equipment and expressed milk. If they intend to breastfeed at work discuss how this can be managed, including any workplace health and safety or privacy concerns.

Breastfeeding is a protected ground of discrimination. Making an employee feel uncomfortable about breastfeeding, or not providing adequate facilities or breaks, may constitute discrimination. It may also be a breach of work health and safety laws. For more information about discrimination, see our Protection from discrimination at work page at <u>fairwork.gov.au/discrimination</u>.

#### Train managers and employees

Best practice employers give their managers and employees training and information about parental leave. This helps everyone understand how parental leave works and encourages employees to discuss leave arrangements with their manager.

You can provide your managers with:

- checklists and templates for parental leave at fairwork.gov.au/templates
- training on how to prevent or respond to any discrimination issues that could arise use our free
  Diversity and discrimination online course available at <u>fairwork.gov.au/learning</u>
- **options** for engaging temporary staff (to backfill employees on parental leave for the duration of their leave)
- **tips** for handling requests for flexible working arrangements use our free Workplace flexibility online course available at <u>fairwork.gov.au/learning</u>
- strategies for remembering to check in with employees, such as setting calendar reminders
- **links** to resources, such as the Workplace Gender Equality Agency's parental leave resources available from <u>wgea.gov.au/parental-leave</u>
- **details** for the person in your business they can contact for further information, guidance or support. This would usually be the person who manages human resources issues for your business.







**PRACTICAL TIP:** Consider giving your managers training on how to respond when an employee first tells their manager that they are pregnant. There's no need to immediately try and sort everything out – the key is to help the employee feel comfortable by offering congratulations, and then making sure the employee and manager know where to go for more information. This could be an internal human resources person, a policy, or external resources.

The manager can then schedule a time for an informed discussion to talk about details, like when the baby is due, whether there are any health issues that the employer should be aware of, and how parental leave works.





A best practice workplace involves more than just understanding and complying with the law. This checklist will help you work towards best practice in your business.



**Policy** – develop a parental leave policy to ensure a consistent and fair approach to parental leave. For help creating a parental leave policy for your business use the Workplace Gender Equality Agency's Leading practice parental leave policy guide available from wgea.gov.au/parentalleave.

#### **D** Tools and training

- Help employees understand their rights and requirements for working while pregnant, taking parental leave and returning to work. Refer them to our Parental leave section at fairwork.gov.au/parentalleave.
- Provide your managers with templates and checklists to help them handle parental leave requests at fairwork.gov.au/templates.

#### □ Communication

- □ Talk to employees before they start leave and discuss arrangements for keeping in touch while on parental leave and what return to work arrangements might look like.
- □ Keep in touch with employees whilst on parental leave.

#### □ Support

- Provide practical support for working parents and pregnant employees, for example, providing car parking, different start times, work from home arrangements, and time off for appointments.
- □ Support employees to transition back to work following parental leave. Understand this can be stressful, let them know they are supported and explain what they can expect. Discuss options like accessing any available flexible unpaid parental leave to help ensure a smooth transition.
- □ Support employees to access flexible working arrangements. Find out who is eligible and what needs to be considered at <u>fairwork.gov.au/flexibility</u>.
- Share showcase successful parental leave experiences in your workplace (make sure employees are happy to share their story first).

**Review** – review policies regularly to ensure they comply with minimum workplace requirements and meet the needs of your employees and your business.

- Additional benefits your business can offer consider:
  - providing paid parental leave (in addition to the government scheme)
  - □ making superannuation contributions for the employee during parental leave
  - □ letting employees take annual leave and long service leave at half pay during their parental leave
  - providing equivalent benefits to both parents.



## (i) Where to find more information

### Resources

- The Workplace Gender Equality Agency has information and best practice advice for employers to help them understand and apply parental leave entitlements. Visit <u>wgea.gov.au/parental-leave</u>.
- Our Parental leave section provides information about applying for, taking, extending and returning from parental leave. Visit <u>fairwork.gov.au/parentalleave</u>.
- Our free templates and checklists can assist you, your managers and employees in recording parental leave requests, variations and extensions. Visit <u>fairwork.gov.au/templates</u>.
- Access our free online training\_for employers and managers at <u>fairwork.gov.au/learning</u>. Available courses cover best practice approaches to difficult conversations in the workplace, hiring employees, managing employees, managing performance, diversity and discrimination, workplace flexibility and record-keeping and pay slips.
- Find all our Best practice guides at <u>fairwork.gov.au/bestpracticeguides</u>. These easy-to-follow and practical guides will help you transform your business from compliant to best practice, so you can get the most out of your employees.
- Learn more about flexible working arrangements, including who has a right to make a request, and how employers need to respond, at <u>fairwork.gov.au/flexibility</u>.

#### Links

- Workplace Gender Equality Agency for information about promoting and improving gender equality in Australian workplaces visit <u>wgea.gov.au</u>.
- Services Australia for information about government funded parental leave pay visit <u>servicesaustralia.gov.au/parental-leave-pay</u>.
- Fair Work Commission for information about bullying, sexual harassment, unfair dismissal and enterprise agreements visit <u>fwc.gov.au</u>.
- Australian Human Rights Commission for information about preventing discrimination, respecting human rights and promoting diversity in the workplace visit <u>humanrights.gov.au</u>.

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#### State & territory anti-discrimination bodies

- Australian Capital Territory Human Rights Commission <u>hrc.act.gov.au</u>.
- Anti-Discrimination Board of New South Wales <u>antidiscrimination.nsw.gov.au</u>.
- Northern Territory Anti-Discrimination Commission <u>adc.nt.gov.au</u>.
- Anti-Discrimination Commission Queensland <u>qhrc.qld.gov.au</u>.
- Government of South Australia Equal Opportunity Commission <u>equalopportunity.sa.gov.au</u>.
- Equal Opportunity Tasmania equalopportunity.tas.gov.au.
- The Government of Western Australia Equal Opportunity Commission <u>eoc.wa.gov.au</u>.
- Victorian Equal Opportunity & Human Rights Commission humanrightscommission.vic.gov.au.

### **CONTACT US**

Fair Work online: fairwork.gov.au

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Contact the Translating and Interpreting Service (TIS) on **13 14 50** 

## Help for people who are deaf or have hearing or speech difficulties

You can contact us through the National Relay Service (NRS).

Select your <u>preferred access option</u> and give our phone number: **13 13 94** 

The Fair Work Ombudsman is committed to providing you with advice that you can rely on. The information contained in this fact sheet is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or a workplace relations professional. Last updated: July 2024 © Copyright Fair Work Ombudsman