

WORKED EXAMPLE 1: Eligibility for PPL for Working Couple

Emily and Theo have been working for several years prior to the birth of their first child, Olivia, on 5 August. Emily and Theo earned \$52,000 a year each prior to the birth of their baby.

Family income information

	Usual annual salary	Annual salary in the financial year of the birth
Emily	\$52,000	\$4,986
Theo	\$52,000	\$52,000
<i>Total family income</i>	<i>\$104,000</i>	<i>\$56,986</i>

Emily is not eligible for paid maternity leave from her employer. She is eligible for PPL and receives taxable payments of \$570.00 per week for 18 weeks, a total of \$10,260. These begin from her first full pay period after the birth.

Emily cares full-time for her daughter and does not return to work before 30 June.

In the financial year of Olivia's birth, Emily and Theo receive \$2,062 more in net family assistance and PPL, than they would have without PPL.

Type of assistance	Current system without PPL	New system with PPL
Paid Parental Leave (taxable)*	\$0	\$10,260
Baby Bonus (non-taxable)	\$5,294	\$0
Family Tax Benefit A	\$2,289	\$1,865
Family Tax Benefit B**	\$3,491	\$1,011
<i>Total assistance</i>	<i>\$11,074</i>	<i>\$13,136</i>
<i>less</i>		
Net tax paid on PPL	n.a.***	\$0
Total assistance (net of tax)	\$11,074	\$13,136

*PPL counts as income for determining eligibility for Family Tax Benefit

** Families are precluded from receiving FTB-B during the 18 week period of PPL

*** not applicable

Notes on calculations

Calculations are based on the National Minimum Wage as at July 2010; the 2010-11 payment rates for family assistance; the 2010-11 tax rates and thresholds.

Net tax includes income tax, tax offsets, tax rebates and the Medicare levy.

Calculations assume mothers obtain their usual wage until the birth unless otherwise stated and that none of the families are private renters.

WORKED EXAMPLE 2: Family not eligible for PPL

Hayley and Rob's second child is born on 1 February, around two years after their first child. Rob has an annual salary of \$60,000 and Hayley has not returned to work since the birth of their first child.

Family income information

	Usual annual salary	Annual salary in the financial year of the birth
Hayley	\$0	\$0
Rob	\$60,000	\$60,000
<i>Total family income</i>	\$60,000	\$60,000

Hayley is not eligible for PPL but will receive the Baby Bonus and other family assistance. Her family receives a total amount of \$13,226 in family assistance in the financial year of the birth of the new baby.

Type of assistance	Current system without PPL	New system with PPL
Paid Parental Leave (taxable)*	\$0	Not Applicable
Baby Bonus (non-taxable)	\$5,294	
Family Tax Benefit A	\$4,023	
Family Tax Benefit B**	\$3,909	
<i>Total assistance</i>	\$13,226	
<i>less</i>		
Net tax paid on PPL	n.a.***	
Total assistance (net of tax)	\$13,226	

*PPL counts as income for determining eligibility for Family Tax Benefit

** Families are precluded from receiving FTB-B during the 18 week period of PPL

*** not applicable

Notes on calculations

Calculations are based on the National Minimum wage as at July 2010; the 2010-11 payment rates for family assistance; the 2010-11 tax rates and thresholds.

Net tax includes income tax, tax offsets, tax rebates and the Medicare levy.

Calculations assume mothers obtain their usual wage until the birth unless otherwise stated and that none of the families are private renters.

WORKED EXAMPLE 3: Parents sharing receipt of PPL

Simone has been a nurse for seven years, earning around \$60,000 a year. Her partner, Craig, has been a labourer for nine years, earning about \$30,000 a year. Simone and Craig have their first baby, Isaac, on 1 August. Simone takes four weeks recreation leave prior to the birth. She is also entitled to six weeks paid maternity leave from her employer and she takes this from the date of birth.

Family income information

	Usual annual salary	Annual salary in the financial year of the birth
Simone	\$60,000	\$55,808
Craig	\$30,000	\$10,932
<i>Total family income</i>	\$90,000	\$66,740

Simone is eligible for PPL and decides to take her 18 weeks of PPL after her paid maternity leave is finished, starting 6 weeks after the birth.

At 15 weeks after the birth, Simone has the opportunity to accept a promotion to a nursing position with an annual salary of \$70,000. Craig and Simone decide it would be better if Craig took unpaid leave to care for Isaac and Simone returns to full-time work. Simone has received nine weeks of PPL at this stage. Craig is eligible for PPL and Simone is able to transfer her unused PPL to him. He receives the remaining nine weeks of PPL and uses unpaid leave to look after Isaac until he is one-year old.

In the financial year of the birth of their son, Craig and Simone receive \$1,629 more in net family assistance and PPL, than they would have without PPL.

Type of assistance	Current system without PPL	New system with PPL
Paid Parental Leave (taxable)*	\$0	\$10,260
Baby Bonus (non-taxable)	\$5,294	\$0
Family Tax Benefit A	\$1,887	\$1,887
Family Tax Benefit B**	\$2,445	\$938
<i>Total assistance</i>	\$9,626	\$13,085
<i>less</i>		
Net tax paid on PPL	n.a.***	\$1,830
Total assistance (net of tax)	\$9,626	\$11,255

*PPL counts as income for determining eligibility for Family Tax Benefit

** Families are precluded from receiving FTB-B during the 18 week period of PPL

*** not applicable

Notes on calculations

Calculations are based on the National Minimum Wage as at July 2010; the 2010-11 payment rates for family assistance; the 2010-11 tax rates and thresholds.

Net tax includes income tax, tax offsets, tax rebates and the Medicare levy.

Calculations assume mothers obtain their usual wage until the birth unless otherwise stated and that none of the families are private renters.

WORKED EXAMPLE 4: Parents sharing receipt of PPL

Jasmin and Luke have been employed full-time for over five years. They both received salaries of around \$50,000 a year before starting their family. On 1 January, Jasmin has twins.

Family income information

	Usual annual salary	Annual salary in the financial year of the birth
Jasmin	\$50,000	\$25,000
Luke	\$50,000	\$50,000
<i>Total family income</i>	\$100,000	\$75,000

Jasmin is eligible for PPL and receives taxable payments of \$570.00 per week for 18 weeks, a total of \$10,260. This begins from her first full pay period after the birth. She is not eligible for the Baby Bonus for the first baby but is eligible for the Baby Bonus for the second baby.

Jasmin cares full-time for her children and does not return to work before 30 June.

In the financial year of the birth of the twins, the family receive \$3,063 more in net family assistance and PPL, than they would have without PPL

Type of assistance	Current system without PPL	New system with PPL
Paid Parental Leave (taxable)*	\$0	\$10,260
Baby Bonus (non-taxable)	\$10,588	\$5,294
Family Tax Benefit A	\$2,045	\$2,045
Family Tax Benefit B**	\$0	\$0
<i>Total assistance</i>	\$12,633	\$17,599
<i>less</i>		
Net tax paid on PPL	n.a.***	\$1,903
Total assistance (net of tax)	\$12,633	\$15,696

*PPL counts as income for determining eligibility for Family Tax Benefit

** Families are precluded from receiving FTB-B during the 18 week period of PPL

*** not applicable

Notes on calculations

Calculations are based on the National Minimum wage as at July 2010; the 2010-11 payment rates for family assistance; the 2010-11 tax rates and thresholds.

Net tax includes income tax, tax offsets, tax rebates and the Medicare levy.

Calculations assume mothers obtain their usual wage until the birth unless otherwise stated and that none of the families are private renters.