

# Super on parental leave pay is now law

Starting 1 July 2025, new parents will receive superannuation payments on top of their paid parental leave (PPL).

## THE CHANGE

Eligible parents with babies born or adopted from 1 July 2025 will get an extra 12% of their government-funded PPL as a superannuation contribution to their nominated superannuation fund.

The lump sum superannuation payment will be paid annually by the ATO after the end of each financial year. The contribution will also include an additional interest component to account for the delay.

Eligible parents can continue to apply for PPL through Services Australia who are responsible for assessing eligibility for the payment and superannuation contribution.

## WHO IS ELIGIBLE?

Currently, parents can get up to 22 weeks of government-funded PPL at the minimum wage, which will increase to 24 weeks from 1 July 2025 and to 26 weeks by 1 July 2026.

To be eligible, parents must meet the following requirements:

- Have a newborn or have recently adopted a child
- Have met an income test
- Won't be working during their PPL period, except for allowable reasons
- Have met the work test
- Have met the residency rules
- Have registered or applied to register their child's birth with their state or territory birth registry if they're a newborn.



For further information regarding the government-funded PPL scheme see the Services Australia [website](#).

## WHAT ABOUT EMPLOYER-FUNDED PPL?

PPL falls into two categories: government-funded PPL, or employer-funded PPL. If eligible, employees could receive both types.

Although it is not compulsory for employers to do so, many choose to support their employees with PPL. Generally, employers will set out a minimum service period that employees need to meet before they are eligible for employer-funded PPL, and the amount they receive (usually measured in weeks) varies from employer to employer. Employers will have their own policies when it comes to parental leave and the available benefits will depend on the employee's agreement/contract. So while some employers offer PPL and pay superannuation on top of that, the new laws ensure parents using government-funded PPL will be able to have the same benefit.

## IMPACT ON FAMILIES

As super isn't currently paid on government-funded PPL, this change will enable employees to receive super contributions for the period they are on PPL. This change helps close the gap in superannuation savings, especially for women, by ensuring parents receive superannuation while on parental leave, improving financial security in retirement. 💰

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