



More support for working families

2024-25 May Budget

The Australian Government is delivering on its commitment to provide greater support to Australian families by paying superannuation on Government-funded Paid Parental Leave.

Eligible parents with babies born or adopted on or after 1 July 2025 will receive an additional payment, based on the Superannuation Guarantee (12 per cent of their Paid Parental Leave payment), as a contribution to their nominated superannuation fund.

Paid Parental Leave

The Paid Parental Leave scheme provides financial support to eligible working parents to take time off work after a birth or adoption.

From 1 July 2024, two more weeks of payment will be added to Paid Parental Leave each year until the overall length of the scheme reaches 26 weeks by July 2026.

The Government-funded Paid Parental Leave entitlement is able to be taken fully flexibly, in blocks as little as one day, up until the child's second birthday and can be shared between two parents.



\$4.8 billion

From 2026-27, the Australian Government's total investment in Paid Parental Leave will be around \$4.8 billion a year.

Benefiting Australian Families

The addition of a superannuation contribution with Paid Parental Leave is another important step towards gender equality, as the majority of Paid Parental Leave recipients are women who are more likely to have lower superannuation balances.

This will help to reduce the gendered gaps present in superannuation balances at the time of retirement and signals that caring for babies is valued as well as helping to normalise parental leave as a workplace entitlement, like annual and sick leave.



Eligible parents with babies born or adopted on or after 1 July 2025 will receive an additional **12 per cent** of their Government-funded Paid Parental Leave as a contribution to their superannuation account.



The Government will provide **\$1.1 billion** over the forward estimates to 2027-28 and **\$623.1 million** per year ongoing from 2028-29 to add superannuation on Paid Parental Leave.





Helping small businesses and parents

The Government is providing **\$10 million** to Services Australia to improve the experience of employers, particularly small business, when administering Paid Parental Leave.

In addition, the Government is updating Paid Parental Leave communication products to make it easier for parents to understand how the scheme is changing at a cost of **\$1.4 million**.

Payment of Superannuation

The Australian Tax Office will make a lump sum payment following the end of each financial year where a recipient received Paid Parental Leave direct to the recipient's superannuation account.

As the payment will be made following the end of each financial year, interest will be added to compensate for the delay in payment.



In 2023-24, it is estimated around **180,000 families will access up to 20 weeks** of Paid Parental Leave.



Once the Paid Parental Leave scheme is fully expanded from 1 July 2026, the maximum amount a family would receive in superannuation contributions is up to around **\$3,000 per birth**.



Modelling suggests that a median female earner's superannuation balance would be around **\$4,250** higher at retirement.



This will help to reduce the gendered gaps present in superannuation balances at the time of retirement.

The payment of superannuation on Paid Parental Leave will be introduced from 1 July 2025, pending the passage of legislation.

For more information about this measure and other [Department of Social Services' Budget](#) measures, visit the Department of Social Services website (dss.gov.au).

For information about the 2024-25 May Budget, visit the [Australian Government Budget](#) website (budget.gov.au).

More information of the Paid Parental Leave scheme can be found on the Department of Social Services website and on the [Services Australia](#) website (servicesaustralia.gov.au).