

## Australian Family Fund

The Australian Family Fund is a proposed parental leave fund, which provides investors with a fully funded parental leave payment utilizing multiple source contributions over a qualifying period. The objective is to assist population growth and in particular the birth rate.

Under the framework of the proposed Australian Family Fund, an employee would be entitled to a sum of 75% of their gross annual wages as a parental leave benefit, after a qualifying period of 5 years.

To create the Australian Family Fund parental leave benefit, it is proposed that contributions similar to the following are made;

Based on Average Gross Wage of \$58,448 p.a.

	Annual	Five Years
5% p.a. Employee contribution	\$ 2,922	\$ 14,610
5% p.a. Employer contribution	\$ 2,922	\$ 14,610
5% p.a. Government contribution	\$ 2,922	\$ 14,610
Total	<u>\$ 8,766</u>	<u>\$ 43,830</u>

The parental leave benefit would be  $\$58,448 \times 75\% = \$43,830$  which is equivalent to the sum of contributions made by the employee, employer and government.

The employee contributes to the Australian Family Fund through regular monthly deductions from their employer in much the same way as additional superannuation is deducted.

The employer would contribute to the Australian Family Fund on behalf of the employee at the prescribed rate similar to making Superannuation Guarantee Scheme contributions and provides the details to the employee as they would for superannuation.

The Australian Family Fund parental leave benefit is retained even if the employee moves from one employer to another. The employee would need to satisfy the qualifying period of parental leave with their new employer, which is usually 12 months.

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