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Public Ruling Payroll Tax Act:

EXEMPTION FOR PARENTAL, ADOPTION OR SURROGACY LEAVE PAY— MAXIMUM ENTITLEMENT

A Public Ruling, when issued, is the published view of the Commissioner of State Revenue (the Commissioner) on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue(s) it addresses. Where a change in legislation or case law (the law) affects the content of a Public Ruling, the change in the law overrides the Public Ruling—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant or exemption, as the case may be, in accordance with the law.

What this Ruling is about

- Section 14A of the *Payroll Tax Act 1971* (the Payroll Tax Act) exempts from payroll tax, wages paid or payable to employees on parental, adoption or surrogacy leave. The exemption:
 - applies to wages paid or payable to employees taking parental, adoption or surrogacy leave
 - applies to all wages other than fringe benefits
 - is limited to a maximum of 14 weeks' pay
 - applies irrespective of whether the leave is taken
 - before or after the birth
 - before or after the adoption or
 - before or after the child starts residing with the employee under a surrogacy arrangement and
 - must be supported by keeping relevant records.¹
- For any one pregnancy, adoption or surrogacy arrangement, the exemption is limited to wages for a maximum of 14 weeks' full-time leave for both full-time and part-time employees or the equivalent amount if taken over a longer period (maximum entitlement).²

¹ See Public Ruling *PTA012—Exemption for parental and adoption leave pay* and Public Ruling *PTAQ014A.1—Exemption for surrogacy leave pay*. Public Ruling *PTA012—Exemption for parental and adoption leave pay* is under review to reflect the amendments made to section 14A(4)(b) by the *Revenue Amendment and Trade and Investment Queensland Act 2013*.

² Sections 14A(4)(a) and 14A(4)(b) of the Payroll Tax Act. Section 14A(4)(b), as amended by the *Revenue Amendment and Trade and Investment Queensland Act 2013* is taken to have had effect on and from 16 April 2011; see s.143 of the Payroll Tax Act as inserted by section 45 of the amending Act.

3. This Ruling explains how the maximum entitlement is calculated and provides examples.

Ruling and explanation

4. The exemption applies to a maximum amount equivalent to 14 weeks' pay at each employee's normal rate of pay, regardless of whether the employee is a full-time or part-time employee. The leave may also be taken over more than 14 weeks at a reduced rate of pay per week.

Example 1

Stella is a full-time employee and elects to take adoption leave at half pay over a period of 28 weeks. Wages relating to the 28-week period are exempt.

Example 2

John is a part-time employee and elects to take parental leave at half pay over a period of 28 weeks. Wages relating to the 28-week period are exempt.

Date of effect

This Public Ruling takes effect from the date of issue.

David Smith
Commissioner of State Revenue
Date of issue: 26 June 2013

References

Public Ruling	Issued	Dates of effect	
		From	To
PTAQ014A.2.2	26 June 2013	26 June 2013	Current
PTAQ014A.2.1	12 December 2012	16 April 2011	25 June 2013