

Payroll Tax Ruling PTA037

Paid Parental Leave

Version Control

Version	Date Issued	Date of Effect	Changes made
1	23 December 2010	1 January 2011	First version.
2	7 June 2024	1 July 2023	Replaces first version.
3	16 January 2026	16 January 2026	Addition of treatment of superannuation payments paid as part of Commonwealth Government paid parental leave.

This ruling has been updated to reflect that superannuation contributions are payable on parental leave pay for a child born or adopted on or after 1 July 2025.

Preamble

The Commonwealth Government's Paid Parental Leave scheme was introduced by the *Paid Parental Leave Act 2010* (Cth). The scheme provides eligible working parents of children born or adopted on or after 1 January 2011 with a period of government-funded paid parental leave at the National Minimum Wage.

In circumstances where an employer is required to provide the parental leave pay to an eligible employee, the payments are made with funds the employer has received from the Commonwealth Government. Parental leave pay is not payable to an employee until the Commonwealth Government has provided sufficient funds in advance.

The Australian Taxation Office (ATO) will pay superannuation contributions (calculated based on the superannuation guarantee rate) on the Commonwealth Government funded parental leave pay for a child born or adopted on or after 1 July 2025. These superannuation contributions are paid by the ATO directly to the employee's superannuation fund (in most circumstances, to the fund that is currently receiving superannuation contributions). Employers are not required to make superannuation contributions in relation to parental leave pay but may make voluntary superannuation contributions if they so choose.

This Ruling clarifies how parental leave pay and superannuation contributions paid by the ATO are to be treated for payroll tax purposes.

Ruling

The *Payroll Tax Act 2009* (the Act) prescribes that wages are liable for payroll tax if they are paid or payable to an employee for or in relation to services provided by the employee (or in anticipation of future services to be provided by the employee).

Even though parental leave pay may be paid by employers, the Commissioner of Territory Revenue is of the view that they do not constitute wages under the Act. They are therefore not liable to payroll tax as they are not paid by the employer in respect of services provided by the employee (or in anticipation of

future services to be provided by the employee). Rather, parental leave pay payments are Commonwealth Government payments that employers are asked to pay on behalf of the Commonwealth Government.

Similarly, superannuation contributions paid by the ATO on parental leave pay are not considered wages under the Act. Voluntary superannuation contributions paid by the employer on parental leave pay, however, are wages for the purposes of payroll tax. For details on the Northern Territory-specific exemption for parental leave related payments, please refer to Payroll Tax Ruling PTA012.

Please note that rulings do not have the force of law. Each decision made by the Territory Revenue Office is made on the merits of each individual case, having regard to any relevant ruling. Commissioner's Guideline CG-GEN-001, which sets out information on the revenue publication system, is incorporated into and is to be read as one with this Ruling. All Circulars, Guidelines and Rulings are available from www.revenue.nt.gov.au.



James Richards

COMMISSIONER OF TERRITORY REVENUE

Date of Issue: 16 January 2026

For further information please contact the Territory Revenue Office:

GPO Box 1974 Darwin NT 0801

Phone: 1300 305 353

Email: ntrevenue@nt.gov.au

Website: treasury.nt.gov.au/df/territory-revenue-office
