

## **Family Leave and Miscellaneous Provisions Act 2021\***

The Act provides for three additional weeks of paid Parents Leave and benefit to each parent in Ireland. Before the Act was introduced the benefit was two weeks. This now extends to five weeks. The leave must be taken in the first two years after the birth or adoption of a child.

In addition all adoption couples will be able to choose which parent may take advantage of the Adoptive Leave. This will include male same sex couples who were previously excluded from this. On top of these Paternity Leave and benefits will be made available to the parent who is not availing of Adoptive Leave.

The Parent's Benefit provides for five weeks payment to each parent of a child aged under 2 years or in the two years following an adoption. Parents can take five weeks together or take separate weeks of leave.

The Parents Benefit is a payment for employed and self-employed people who are:

- On Parents Leave from work;
- Have paid sufficient PRSI contributions;

If you are an employee then you must have:

- At least 39 weeks PRSI contributions paid in the 12 month period before the first day of your Parents Benefit or;
- At least 39 weeks PRSI contributions paid since first starting work and at least 39 weeks PRSI paid or credited in the relevant tax year or in the tax year immediately following the relevant tax year. For example, if you are going on Parents Leave in 2021 the relevant tax year is 2021 and the year following this is 2022 or;
- At least 26 weeks PRSI paid in the relevant tax year and at least 26 weeks PRSI paid in the tax year immediately before the relevant tax year. For example, if you are going on Parents Leave in 2021 the relevant tax year is 2019 and the year before that is 2018.

If you are self-employed you must be in insurable employment and have:

- 52 PRSI contributions paid at Class S in the relevant tax year or;

- 52 weeks PRSI contributions paid at Class S in the tax year immediately before the relevant tax year or;
- 523 weeks PRSI contributions paid at Class S in the tax year immediately following the relevant tax year.

The rate of payment is €245 a week.

The Parents Benefit can be paid in separate weekly blocks or can be paid over a consecutive 5 week period.

Parents Benefit is paid directly into your current or deposit account at your bank or building society. It cannot be paid into a mortgage account.

An employer may continue to pay an employee in full when they are on Parents Leave. This may require the parent to have the Parents Benefit paid to them and the employee can choose to do so.

Where a person is in receipt of certain Social Welfare payments they may get half rate Parents Benefit.

An employee who has dependents may be able to get a higher rate of Parents Benefit.

In relation to tax the position is that an employee or self-employed person will have to pay tax on Parents Benefit. They will not have to pay USC or PRSI.

**\*Before acting or refraining from acting on anything in this guide, legal advice should be sought from a solicitor.**

**\*In contentious cases a solicitor may not charge fees or expenses as a proportion or percentage of any award or settlement.**