

Parental Leave



PARENTAL LEAVE FOR BOTH MUMS AND DADS

Paid parental leave for both mums and dads is a critical step towards gender equity.

- ✔ Paid parental leave for each parent fosters a more equal division of unpaid care, improves family work-life balance, and contributes to an increase in women's workforce participation.
- ✔ The availability of paid parental leave is linked to many other social, demographic and economic benefits too, including positive health effects for the mother and child.

GOING ABOVE AND BEYOND

A number of companies in New Zealand are demonstrating leadership by going above and beyond current statutory requirements, topping up leave payments or extending leave time.

- ✔ In 2018 ANZ increased its paid parental leave to 26 weeks, two years ahead of the extension coming into law.
- ✔ My Food Bag tops up the statutory parental leave pay to a parent's full wages for 18 weeks. If the other parent is the primary carer the organisation pays 160% of the employee's wages for the 18 weeks.
- ✔ Companies including Spark, Fonterra and Stuff offer benefits such as topping up the government-paid leave and letting staff accrue annual leave while they are away.
- ✔ Vodafone offers mothers who return to work within 12 months the ability to work a 30-hour week for 40 hours' pay for six months.
- ✔ A number of organisations including ANZ and Stuff continue to pay employees' KiwiSaver contributions while they are on parental leave and include them in the annual pay reviews.
- ✔ QBE recently became the first New Zealand business to provide parental leave equality to its employees.
- ✔ Air New Zealand also doubles its superannuation contribution for the duration of employees' unpaid parental leave up to a maximum of 26 weeks when they return to work.

NEW ZEALAND



In New Zealand there are 22 weeks' paid primary carer leave. This will increase to 26 weeks from 1 July 2020.



Leave is paid at up to \$585.50 a week before tax – one of the lowest allowances in the OECD and usually a significant drop in earnings.



Payments can be 'transferred' to the spouse if they become the primary carer instead.



The primary eligibility for paid parental leave lies with the birth mum.



THE MOTHERHOOD PENALTY



For women, parenting has a significant impact on their earning and career potential. On average, becoming a mother decreases the hours a woman works, and her monthly income. In contrast, fathers experience no significant change in any of their labour market outcomes when they have children.

Taking time out to care:

8.3% is hourly wage penalty for women who come back to work after more than a year caring for children¹.

Superannuation gap:

Women are more likely to take parental leave or work part-time which results in a smaller retirement fund. Given that women tend to live longer this is a significant concern.

¹ <https://motu.nz/assets/Documents/our-work/population-and-labour/individual-and-group-outcomes/Parenthood-and-Labour-Market-Outcomes-Exec-Summary.pdf>



EMPOWERING DADS TO DAD



Inspired by the iconic Swedish Dads photo exhibition, **Kiwi Dads** is a local campaign to normalise caring fatherhood in the workplace and encourage conversations between workplaces, men and their families to break down stereotypes.

Men taking parental leave normalises caring fatherhood in the workplace by making fathers visible and embedding fatherhood into company culture. It challenges notions that fathers are indispensable to work and dispensable to their children and removes the hard line between 'breadwinning' and caregiving'.

Visit www.kiwidads.com to know more about the 'Kiwi Dads' campaign

The impact of shared Parental Leave

- ✓ Parental leave also normalises caring fatherhood in the home, developing and establishing male competence in the absence of mothers, and highlighting fathers' importance to early child development.
- ✓ Parental leave functions – for both men and women – by promoting continuous connection to both work and to children. It helps each parent to contribute parental care and also participate in the workforce.

BENEFITS OF MEN TAKING PARENTAL LEAVE

- ✓ **Families**²
 - Children do better and are safer
 - Fathers are more family-orientated
 - Fathers live longer
 - Mothers are happier, healthier and earn more
 - Couples are happier together and share domestic responsibilities
- ✓ **Workplace**
 - Remove the stigma of taking time out of the workplace to parent
 - Reduce the perception of the risk of employing women as both sexes are equally likely to require parental leave
 - Encourage men to work flexibly
 - Encourages inclusive workplace cultures where people are encouraged to bring their whole selves to work.
- ✓ **Society**
 - Remove the stigma for men to play an equal role in parenting and in the home
 - Fathers increasingly want to spend more time caring for their children, and that this is particularly true of a younger generation of fathers
 - Fathers who take parental leave are more likely to continue to share childcare responsibilities
 - Contributes to reducing the gender pay gap

WHAT NEEDS TO SHIFT

To ensure that fathers use benefits to the same extent as women we need our cultural attitudes in the workplace and in society to shift to an expectation that parenthood is a shared experience and responsibility.

International research shows that men are increasingly keen to spend more time at home with their children but **less than 50% of fathers take as much parental leave as their country's policy allows**³

40% of fathers feel that their workplace parental leave policy is not equal for men and women⁴

53% of New Zealanders believe that new fathers don't take the full parental leave they are entitled to because of fear they will be viewed as less committed to their job⁵

² <http://www.fatherhoodinstitute.org/wp-content/uploads/2014/11/Why-paternity-leave-matters-for-young-children.pdf>



WHAT DOES BEST PRACTICE LOOK LIKE?



EQUAL AVAILABILITY

Parental leave policies need to be made equally available to men and women;

- Ensuring that language is gender neutral
- Easy to understand with clearly communicated and accessible information



FLEXIBLE APPLICATION

These policies need to be flexible in application;

- Empowering parents to take parental leave as it suits their circumstances
- Enabling opportunities to take it in a chunk or to use it to work part-time over a set period



ENCOURAGEMENT & INCENTIVISATION

These policies need to be actively encouraged and incentivised;

- Workplace cultures need to support conversations about taking and returning from parental leave for both men and women
- Identify blocks, stigmas and attitudes that prevent men taking parental leave
- Adequately compensating both men and women who take parental leave

AROUND THE WORLD

Nordic countries

A number of Nordic countries not only have a generous leave allowance available but allocate the same amount to the mother and the father with an additional amount that can be used by either. By making it a 'use it or lose it' most men take up the opportunity of the dedicated parental leave which has transformed the visibility of fathers. In Sweden, it is common to see 'latte pappas' in cafes or playgrounds with their children. Not taking up the parental leave allowance is seen as not wanting to be a good parent.

Iceland, Norway and Sweden also have the world's lowest gender pay gaps.

Japan and South Korea

Japan and South Korea have some of the most generous shared parental leave (up to 52 weeks) policies in the world but suffer from a poor uptake from fathers. Unfortunately, there is still a stigma about taking time off work, especially for men.

Finland

Finland earmarks 54 working days of parental leave to fathers, they can take 18 of these while the mother is also taking parental leave.

Germany

Germany offers 67 weeks of time off, which is paid out at 67% of the parent's salary for 10 months following the end of maternity leave. Germany also has a bonus system, whereby if both parents claim two months of parental leave benefits, they get another two months of paid leave.

UK

Although the UK has shared parental leave of up to 50 weeks, there is still a low take-up of shared parental leave by men (around 2%). A government paper⁶ concluded that the role of fathers changing. Men are increasingly taking on responsibility for childcare and increasingly want to do so, and this is especially so for younger fathers.



Contact us

e: hello@globalwomen.org.nz

w: www.globalwomen.org.nz

 GLOBAL WOMEN

³ <https://www.mother.ly/news/85-percent-of-dads-would-do-anything-to-be-more-involved-with-their-babies>

⁴ <https://womensagenda.com.au/latest/i-am-doing-everything-you-need-to-do-more-a-universal-household-dispute/>

⁵ https://www.hays.net.nz/press-releases/HAYS_1921028

⁶ <https://publications.parliament.uk/pa/cm201719/cmselect/cmwomeq/358/358.pdf>