



## COVERSHEET

<b>Minister</b>	Hon Michael Wood	<b>Portfolio</b>	Workplace Relations and Safety
<b>Title of Cabinet paper</b>	Parental Leave and Employment Protection Amendment Regulations 2021	<b>Date to be published</b>	29 March 2021

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
1 July 2020	Amending the Parental Leave and Employment Protection Regulations 2016 to enable online applications for parental leave	Office of the Minister for Workplace Relations and Safety
1 July 2020	Amending the Parental Leave and Employment Protection Regulations 2016 to Enable Online Applications for Parental Leave – Cabinet Economic Development Committee Minute of Decision	Cabinet Office
10 February 2021	Parental Leave and Employment Protection Amendment Regulations 2021	Office of the Minister for Workplace Relations and Safety
10 February 2021	Parental Leave and Employment Protection Amendment Regulations 2021 – Cabinet Business Committee Minute of Decision	Cabinet Office

### Information redacted

**NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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Office of the Minister for Workplace Relations and Safety

Chair, Cabinet Economic Development Committee

## **Amending the Parental Leave and Employment Protection Regulations 2016 to enable online applications for parental leave**

### **Proposal**

- 1 This paper seeks Cabinet agreement to amend the Parental Leave and Employment Protection Regulations 2016 (the Regulations) to enable online applications and provision of information for parental leave.

### **Background**

- 2 The Ministry of Business, Innovation and Employment (MBIE) administers the *Parental Leave and Employment Protection Act 1987* (the Act). Inland Revenue (IR) processes applications and makes payments of paid parental leave (PPL) under delegated authority from MBIE's Chief Executive.
- 3 The *Parental Leave and Employment Protection Regulations 2016* (the Regulations) prescribe the information and evidence required for a PPL application. The Regulations currently require a paper-based application form and supporting documentary evidence for some application information.
- 4 PPL is being integrated into IR's new tax system START (Simplified Tax And Revenue Technology) through IR's Business Transformation programme, Stage 4. The integration is expected to occur in early 2021.
- 5 PPL is also being connected to SmartStart, a joint initiative between partner agencies to provide a single and comprehensive online platform to access services associated with the birth of a child. The platform was launched in 2017 and currently offers services across the Department of Internal Affairs (DIA), Ministry of Social Development (MSD), IR and Ministry of Health (MoH).
- 6 Prospective and new parents will be able to use SmartStart as a portal to apply for PPL, alongside related services such as registering the birth of their baby, and apply for Best Start tax credits. The SmartStart-based PPL application process will be easier and faster for applicants to submit and for IR to verify and assess.
- 7 The Regulations do not currently support online applications. They require an application form to be filled in and signed, and require information from the applicant, or in some cases a third party, to be provided and verified through statutory declarations.
- 8 After significant system improvements from IR in recent years, most of the information applicants are currently asked to provide and verify is already held by IR. Applicants will be directed from the SmartStart website to their secure myIR account, where they will be able to complete and lodge a PPL application.

## Details of proposed changes

- 9 The proposed amendments to the Regulations:
- remove requirements for information to be provided in writing or through a specific form
  - remove the requirement to verify information, such as by making a statutory declaration, where the information is already held by IR
  - remove the need to seek third party verification (for instance by providing a statement by the employer) where the information is already held by IR
  - remove out-of-date references, for instance to parental tax credits which are no longer available for children born on or after 1 July 2018.
- 10 **Annex One** contains a table that identifies specific regulations that are proposed to be amended or removed, as well as the rationale.

## Benefits of enabling online PPL applications

- 11 The integration of PPL through SmartStart into IR's new tax system, and onto an online environment, will make it easier for new parents to apply for and manage their PPL entitlements. It will reduce compliance costs for applicants, employers and other parties.
- 12 Moving the PPL application within myIR will enable IR to quickly check eligibility criteria, manage multiple employers within one application, pre-populate income data, and improve response times for applicants.
- 13 Applicants will be able to view their PPL information, including the status of their application and entitlement details. They will also be able to transfer entitlements or make changes to details such as bank accounts, tax codes, and other information with much greater ease.

## Financial Implications

- 14 The proposed amendments do not impose additional costs in relation to the administration of PPL, other than one-off system changes that IR is able to manage within its baseline.
- 15 Applicants will experience minor cost benefits from the new online application process, such as the elimination of costs associated with making a statutory declaration and postage expenses. Employers will also experience minor cost benefits that stem from no longer having to verify an employee's income.

## Legislative Implications

- 16 The proposed amendments to the Regulations require a new Order in Council to be made by the Governor-General, on the recommendation of the Minister for Workplace Relations and Safety.

- 17 I intend to bring a paper to the Cabinet Legislation Committee on 28 July 2020 to give effect to the amendments to the Regulations agreed by Cabinet.

### **Regulatory Impact Assessment**

- 18 The Regulatory Quality Team at the Treasury has determined that the regulatory proposal in this paper is exempt from the requirements to provide a Regulatory Impact Statement on the basis that it repeals or removes redundant legislative provisions.

### **Climate Implications of Policy Assessment**

- 19 The Ministry for the Environment has been consulted and confirms that the climate implications of policy assessment (CIPA) requirements do not apply to this proposal as the threshold for significance is not met.

### **Population Implications**

- 20 There are no population implications associated with the proposal.

### **Human Rights**

- 21 No inconsistencies with New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993 have been identified.

### **Consultation**

- 22 Inland Revenue, Department of Internal Affairs, Ministry of Social Development, Ministry of Health, Social Wellbeing Agency, the Treasury, and the Department of the Prime Minister and Cabinet (Policy Advisory Group) were consulted on this paper.

### **Communications**

- 23 I do not intend to announce these changes to the Regulations immediately because online applications will not be possible until early 2021, and announcing these changes immediately would likely confuse applicants in the intervening months. I intend to announce the changes alongside or as part of broader communications about SmartStart in the period prior to its implementation in early 2021.

### **Proactive Release**

- 24 I intend to proactively release this Cabinet paper, subject to any appropriate withholding of information that would be justified under the Official Information Act 1982.

### **Recommendations**

- 25 The Minister for Workplace Relations and Safety recommends that the Cabinet Economic Development Committee:

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- 25.1 **Note** that the Parental Leave and Employment Protection Regulations 2016 need to be amended in order to enable online applications for parental leave.
- 25.2 **Agree** to amend the Parental Leave and Employment Protection Regulations 2016 to:
  - 25.2.1 remove requirements for information to be provided in writing or through a specific form
  - 25.2.2 remove the requirement to verify information, such as by making a statutory declaration, where the information is already held by IR
  - 25.2.3 remove the need to seek third party verification (for instance by providing a statement by the employer) where the information is already held by IR
  - 25.2.4 remove out-of-date references, for instance to parental tax credits.
- 25.3 **Invite** the Minister for Workplace Relations and Safety to issue drafting instructions to the Parliamentary Counsel Office to give effect to these recommendations through an Order in Council.
- 25.4 **Authorise** the Minister for Workplace Relations and Safety to make decisions, consistent with the proposals in these recommendations, on any issues which arise during the drafting process.
- 25.5 **Note** that these changes to the Parental Leave and Employment Protection Regulations 2016 will be announced in the period leading up to applications being able to be made online (online applications are expected to become possible in early 2021).

Authorised for lodgement

Hon Iain Lees-Galloway

Minister for Workplace Relations and Safety

## Annex One: Regulations

**Table 1** sets out the sections of the Regulations that I recommend to amend or remove to enable online applications for paid parental leave

<b>Regulation section</b>	<b>Subject matter and documentary requirements under the Regulations</b>	<b>Recommendation to amend or remove</b>	<b>Rationale</b>
8(1)(a)	The regulations currently require the form and supporting documents to be submitted in writing and mailed to a specific address	Amend to allow the form and supporting documents to be submitted online within myIR or over the telephone	Applications will be lodged online or over the telephone and no longer need to be mailed to a specific address
8(1)(b)	The application form must be signed either by an employer, a person authorised to take statutory declarations, or a chartered accountant or tax advisor	Amend to remove the requirement for signatures from third-parties	The information held with IR makes the need for confirmation by third parties redundant
8(2)(a)	The application must be signed by the employer	Remove	Employment data already held by IR
8(2)(b)	The application must be signed by a person authorised to take statutory declarations where the applicant is an employee who works for more than one employer	Remove	Employment data on multiple employers already held by IR. The online form will pre-populate with multiple employers and the applicant will select which ones are relevant for her PPL application
8(2)(c)	The application must be signed by a chartered accountant or tax advisor for self-employed applicants	Remove	Employment data on self-employment already held by IR
8(2)(d)	Application must be signed by a person authorised to take statutory declaration where the applicant is self-employed and who does not have a chartered accountant or tax advisor	Remove	Self-employment data is provided by customers to IR as part of their annual income assessment process
9(2)(b)(ii)	This section references parental tax credits that have been eliminated	Amend to remove references to parental tax credits	Parental tax credits have been replaced by Best Start Tax Credits
11(3)(b)	Details of the employee's ordinary weekly pay or average weekly income from work	Remove	Employment data already held by IR
11(4)(a)(ii)	Statement by the employer confirming hours of work and income	Remove	Employment data already held by IR
11(4)(b) and Schedule 2, Form 3	Statutory declaration for applicant who works for more than one employer	Remove	Employment data on multiple employers already held by IR. The online form will pre-populate with multiple employers and the applicant will select which ones are relevant for her PPL application
12(2)(c)(i) and Schedule 2, Form 4	Statement by a chartered accountant or tax advisor confirming self-employed income	Remove	Self-employment data is provided by customers to IR as part of their annual

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			income assessment process
13(2)	The regulations currently require the form and supporting documents for the transfer of PPL to be submitted in writing and mailed to a specific address	Amend to allow the form and supporting documents to be submitted online within myIR or over the telephone	Applications will be lodged online or over the telephone and no longer need to be mailed to a specific address
13(4)	The application form must be signed either by the transferee's employer, a person authorised to take statutory declarations, or a chartered accountant or tax advisor	Amend to remove the requirement for signatures from third-parties	The information held with IR makes the need for confirmation by third parties redundant
14(2)	The regulations currently require the form and supporting documents for the succession of PPL to be submitted in writing and mailed to a specific address	Amend to allow the form and supporting documents to be submitted online within myIR or over the telephone	Applications will be lodged online or over the telephone and no longer need to be mailed to a specific address
14(4)	The application form must be signed either by the successor's employer, a person authorised to take statutory declarations, or a chartered accountant or tax advisor	Amend to remove the requirement for signatures from third-parties	The information held with IR makes the need for confirmation by third parties redundant
16(2)	The regulations currently require the form and supporting documents for preterm baby payments to be submitted in writing and mailed to a specific address	Amend to allow the form and supporting documents to be submitted online within myIR or over the telephone	Applications will be lodged online or over the telephone and no longer need to be mailed to a specific address