



New Parents

Financial Wellbeing Guide

A guide to help new and expecting parents prepare for the financial changes ahead.





A message from our CEO

Matt Comyn

As one of Australia's largest organisations, we recognise that all families are different. With this comes a diversity of needs and challenges for new and expanding families. We understand that planning for and welcoming children can have significant financial impacts.

We also know that providing access to helpful information is an important way we can help our customers at this exciting time.

This is where the New Parents Financial Wellbeing Guide comes in – it's designed to help you plan for the financial changes ahead as you navigate the important things in life at home and in your work.

Reading this guide is a small step you can take to be more prepared for welcoming a child.

Best regards

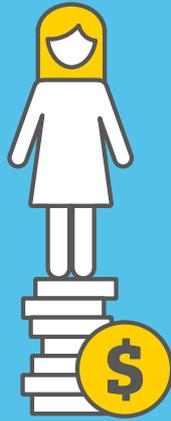
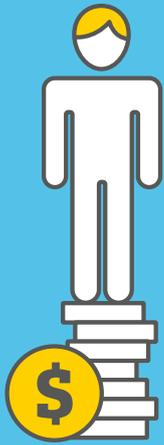
Preparing financially

Planning for and welcoming children can have significant financial impacts and can be a source of financial stress. And then taking time off work to care for children will likely reduce your income and you could face increased living costs. So, it's important to prepare financially.

This guide covers:

- Financial benefits you may be entitled to receive including paid parental leave.
- Common questions you may be asking yourself and how you can take steps to answer them.
- Prompts to support resources that provide more detail.

Getting equipped with information will help you make well informed decisions and plan ahead. So, take the time to work through this guide and complete steps relevant to you.



Breaking down 'breadwinner' versus 'caregiver' stereotypes



An employee story

I took two months of parental leave when my son Freddie reached 10 months. We spent our days hanging out by the beach, taking swimming lessons and generally causing mischief.

It meant my wife Sophie, who loves her job, could scale back up from part time to full time work.

I then returned to work for 6 months part time to further support Sophie and enjoy father and son time.

No-one questioned why I did what I did – people were genuinely interested in and complimentary of my choices.

Kids grow up so quickly. It sounds corny but rarely does a week go by that I don't think back to a moment Freddie and I had during that time.

George, CommBank



**Emma Walsh, Founder & CEO
Parents At Work**

The changing nature of modern family life means that the majority of parents in Australia work in paid employment. Families are required to manage the competing demands of work with their household and caring commitments.

That said, women in Australia continue to undertake the majority share of caring responsibilities, taking time out of work for parental leave and working part-time or flexibly. This can impact career advancement, as well as financial, physical and mental wellbeing – all of which place a general 'motherhood penalty' on women in the workplace.

Encouraging and facilitating the opportunity for every parent to share work and caring responsibilities is fundamental to achieving gender equality and improving health and financial wellbeing outcomes for all.

Parents At Work welcome this initiative to support more families to improve their financial wellbeing.

Workforce participation gap 15-64 year olds¹

Male
83.4%

Female
74.2%

Superannuation gap by 2030 – projected super at retirement²

Male
\$432,000

Female
\$262,000

¹ Australian Bureau of Statistics September 2019: abs.gov.au/ausstats/abs@.nsf/mf/6202.0 Participation rate is share of the working-age population either working or looking for work (i.e. employed or unemployed).

² Koukoulas, S. (2018) Defining the concept of economic security for all women: Policy recommendations to boost women's economic security. EconomicSecurity4Women: Australia.

1. Getting started

Immediate areas to focus on

Things to know	Steps you can take	Completed
What parental leave is available?		
<p>Parental leave allows new parents to take time away from work when welcoming a child.</p> <p>In summary:</p> <p>You may be entitled to receive Parental Leave Pay from the government and paid parental leave from your employer.</p> <p>Parental leave covers a number of entitlements with different requirements - so it's important to research and plan ahead.</p> <p>If you are viewing this guide in a digital format you can click on all links featured.</p>	<p>Government-funded Parental Leave Pay. This provides the eligible parent with pay at the National Minimum Wage for a maximum of 18 weeks.</p> <p>humanservices.gov.au/individuals/services/centrelink/parental-leave-pay</p> <p>To be eligible for Parental Leave Pay, you need to meet the work test or get an exemption. For more information:</p> <p>servicessaustralia.gov.au/individuals/services/centrelink/parental-leave-pay/who-can-get-it/meeting-work-test/work-requirements</p>	
	<p>Employer funded paid parental leave. Many employers also offer paid parental leave to eligible employees. To find out more review your employer's parental leave policy or speak with your manager.</p>	
	<p>Unpaid parental leave. Employees are eligible to take 12 months unpaid parental leave if they have completed at least 12 months of continuous service with their employer. Employees who receive paid parental leave are still entitled to unpaid parental leave. For more information:</p> <p>fairwork.gov.au/leave/maternity-and-parental-leave</p>	
	<p>If you have a partner, find out what their employer provides, along with any government assistance available to them. Knowing this is important to assist with structuring leave and financial planning in a way that works best for you and/or your family.</p>	

What other government assistance is available?

<p>You may be eligible for government entitlements – so it's important to know what they are.</p> <p>These could include Dad and Partner pay, the Family Tax Benefit and the Parenting Payment.</p>	<p>Understand what government payments or rebates you may be eligible for. The Department of Human Services is the key agency to contact – call 13 61 50 or visit:</p> <p>Dad and Partner Pay: humanservices.gov.au/individuals/services/centrelink/dad-and-partner-pay</p> <p>The Parenting Payment: humanservices.gov.au/individuals/services/centrelink/parenting-payment</p> <p>Family Tax Benefit: humanservices.gov.au/individuals/services/centrelink/family-tax-benefit</p>	
	<p>The level of government assistance is often determined by your family's income. So schedule time to accurately estimate your household income so you're well prepared.</p>	
	<p>The Department of Human Services also provides financial and non-financial assistance for single-parents, non-parent carers and parents caring for a child with a disability or medical condition. For information:</p> <p>Single-parents - visit: humanservices.gov.au/individuals/services/centrelink/single-income-family-supplement</p> <p>Non-parents carers - visit: humanservices.gov.au/individuals/subjects/support-non-parent-carers</p> <p>Parents caring for a child with a disability or medical condition - visit: humanservices.gov.au/individuals/subjects/payments-families#a4</p>	

2. Planning for expenses

Prepare for the financial changes ahead

Things to know	Steps you can take	Completed
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What common expenses am I/we likely to incur?

<p>The common costs of expecting and welcoming a child can quickly add up – so it’s important to plan for them.</p>	<p>Understand and plan for the common expenses. These include:</p> <ul style="list-style-type: none"> • Birth costs – a big influence on costs is whether you have your baby in the public hospital system or choose to go private. • Other medical expenses – like doctor and hospital bills, ultrasounds, fertility treatment and/or other family planning expenses, medical tests and birthing/parenting classes. • Equipment and clothing costs – such as baby clothes, nappies, formula, a cot, pram and car seat. • Child care and future education costs. 	
	<p>For more information on costs that can apply visit: moneysmart.gov.au/life-events-and-you/life-events/having-a-baby</p>	

What expenses may be involved depending on my/our circumstances?

<p>Depending on your personal circumstances there are additional expenses that can be involved when welcoming a child. There are resources available to help you understand and prepare for these costs.</p>	<p>Fertility treatment. In Australia, organisations such as IVF Australia can provide information on costs related to fertility treatment, including what is covered by Medicare and your health insurance and payment options. Visit: ivf.com.au/ivf-cost</p> <p>Although fertility treatment can be expensive (adding additional stress to the process), organisations such as Adora Fertility bulk bill the majority of costs, making a cycle more affordable. Visit: adorafertility.com.au/treatments/costs/</p>	
	<p>Intercountry adoption. For information on the fees involved (which can vary depending by state or territory) visit Intercountry Adoption: intercountryadoption.gov.au/countries-and-considerations/time-and-costs/</p>	
	<p>Surrogacy. In Australia, whilst surrogacy is altruistic, the intended parents must cover the surrogate’s expenses in relation to surrogacy, pregnancy and birth. Surrogacy Australia can provide support and guidance on options available. Visit: surrogacyaustralia.org/</p>	
	<p>Same-sex parents or individuals who identify as LGBTI+ For further information visit Rainbow Families or Rainbow Fertility: rainbowfamilies.com.au/resources rainbowfertility.com.au/family-building-for-gay-men/fertility-services-for-gay-men/surrogacy/</p>	

What if I have private health insurance?

<p>It’s important to know early on what benefits you may be eligible to achieve.</p>	<p>Review what expenses will be covered by your health insurance. And note that most pregnancy cover has a waiting period of 12 months. You may also want to consider additional insurance either before and/or after the child arrives.</p>	
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Note: To find out more on how to improve your financial wellbeing, visit commbank.com.au/banking/guidance.html

2. Planning for expenses

Prepare for the financial changes ahead

Things to know	Steps you can take	Completed
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How can I/we prepare for the change in income and expenses?

It's a good idea before taking parental leave to update your budget or develop a new one.

A budget can help you make better choices so you spend your money on what matters most to you, while keeping money aside for savings and other goals. Find a budgeting tool or app that works for you. A good place to start is the Budget Planner on the CommBank website:

commbank.com.au/digital/calculators/budget-planner-calculator

Or use the tool on ASIC's MoneySmart website:

moneysmart.gov.au/tools-and-resources/calculators-and-apps/budget-planner

Schedule time to rewrite your family budget. Plan for any income loss, consider new expenses and increased living costs, and ensure you are saving for future expenses.

What if I'm considering returning to work part time?

Flexibility in the workplace allows employers and employees to make arrangements about working conditions that suit them. This may be especially important when welcoming children.

You may think *'is it worth returning part time given that day care costs could eat into, or even eat up, my income?'* When considering this remember that longer term superannuation contributions, social interactions and career opportunities are important. Also look at your combined family income (rather than individual incomes) to make a balanced decision on whether the overall benefits of returning to work outweigh the impacts of day care costs.

If welcoming a child sees you transition to part time your salary and other entitlements may be pro-rated.

For more information on flexible working arrangements speak to your employer or visit:

fairwork.gov.au/employee-entitlements/flexibility-in-the-workplace/flexible-working-arrangements

How should I talk about finances with my partner?

Regularly talking about money in relationships is important. Every relationship is different and there is no single right way to manage your money as a couple.

Don't assume you will both be on the same page when it comes to money. Schedule time to talk more about finances with your partner ahead of welcoming a child. Having regular, open and respectful conversations about money will reduce conflicts and misunderstandings and help you align your goals.

To prepare for these conversations review the 'Talking about Money' section of the Women's Financial Wellbeing guide (from page 10):

commbank.com.au/women-in-focus/womens-financial-wellbeing-guide.html

Deciding on the length of parental leave

The length of parental leave taken can have financial impacts. It's ok to take a shorter period of unpaid leave if financially that reduces the drain on your family's finances. Or consider building up savings before welcoming a child to be able to afford to take a longer period of unpaid leave without financial impacts.

Also if you have a partner find out what leave their employer provides, along with any government assistance available to them. Knowing this is important to assist with structuring leave and financial planning in a way that works best for you and/or your family.

3. Seeking support

Understand specialised help available

Things to know	Steps you can take	Completed
What support is available for financial stress or difficulty?		
Seek help if you begin to experience financial stress or difficulty. Get in touch with your credit provider and/or a financial counsellor.	Contact your credit provider(s). If you are finding it hard to keep up with utility bills, credit cards or loan repayments, the first step is to contact your credit or service provider. Many companies have hardship teams and specialists who can assess your situation and work out what help is available.	
	If you're a CommBank customer experiencing difficulty meeting your minimum repayments then the Financial Assistance Solutions team can help. They can work with you to develop a solution tailored to your needs – be proactive and contact them on 13 30 95 , 8am to 9pm Monday to Friday and 9am to 2pm on Saturdays (AEST).	
	Speak to a qualified financial counsellor. Financial counsellors provide free, independent and confidential information and support. They help people to understand which debts are priorities, to develop budgets, access grants or concessions, negotiate with creditors, understand their rights, access legal help and more. All Australians can speak with a financial counsellor through the National Debt Helpline on 1800 007 007 (visit ndh.org.au). For more about financial counselling visit: financialcounsellingaustralia.org.au/	
	If you are struggling with debt repayments visit ASIC's MoneySmart website for more practical steps you can take: moneysmart.gov.au/managing-your-money/managing-debts	

What support is available for domestic and family violence?

Domestic and family violence can increase during pregnancy or when expecting a child. It includes financial abuse which occurs when an abuser uses money and resources as a means to gain power, and to control their partner or family member.	Community resources and helplines can support you with specialised help and advice. 1800RESPECT is the National Sexual Assault, Domestic Family Violence Counselling Service and is available 24 hours. Call 1800 737 732 or visit 1800RESPECT.org.au If you are in immediate danger call 000.	
	Other support organisations include: <ul style="list-style-type: none"> • Pregnancy, Birth and Baby. Call 1800 882 436 or visit pregnancybirthbaby.org.au/family-violence-during-pregnancy • Men's Line Australia. Call 1300 798 978 (24 hours) or visit mensline.org.au • Relationships Australia. Call 1300 364 277 or visit relationships.com.au 	

Seek help if you are feeling overwhelmed or are struggling with the challenges of pregnancy or becoming a parent

Perinatal Anxiety & Depression Australia (PANDA) have a Mental Health Checklist for Expecting and New Parents. It's an anonymous online tool to help you assess your emotional wellbeing and seek help if you need it. Learn whether your difficult feelings could be a reason to seek support. Visit the checklist: panda.org.au/info-support/checklists

CommBank's Customer Support Service is a confidential and independent counselling service available 24 hours, 7 days a week to support customers who are dealing with personal issues. Call **1300 360 793**.

4. Taking control of your super

Understand any impacts to your super

Things to know	Steps you can take	Completed
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How will taking parental leave impact my super balance?

Taking a break from work could impact your super. It's important to understand and plan for any impacts.	Employers are not legally bound to pay super during parental leave. So you may not have any employer contributions to your super account during time off work. This creates a gap that has been called the 'super baby debt'. Find out more: superguru.com.au/about-super/women-and-super/super-baby-debt	
	Use ASIC's MoneySmart calculators to understand how taking a break from paid work could impact your super: moneysmart.gov.au/tools-and-resources/calculators-and-apps/retirement-planner	
	Super Guru is a website from The Association of Superannuation Funds of Australia that provides independent information and tools to help you understand and make the most of your superannuation. Visit: superguru.com.au	
	Super can be confusing so if you're unsure about anything seek expert help. Start by talking to your super fund – they may provide information or free financial advice. For more complex advice see a financial planner.	

What are my options for contributing extra to my super?

Contributing extra to your super prior to taking parental leave or after returning to work can help to offset any impacts. There are different ways you can do this.	Understand strategies to increase your super. These include making salary sacrifice (pre-tax) contributions and post-tax contributions. For more information visit: superguru.com.au/grow-your-super	
	One type of salary sacrifice arrangement with your employer is to have some of your salary or wages paid into your super fund instead of directly to you. You can consider salary sacrificing additional amounts to your super before or after taking leave. For more information visit: ato.gov.au/Individuals/Super/Growing-your-super/Adding-to-your-super/Salary-sacrificing-super/	
	In two parent families consider whether the partner who is not taking parental leave can contribute to the super of the partner who is. A person can contribute to their partner's super or split their employer super contributions with their partner. This 'spousal contribution' can also be used by de facto couples. It can help build both partners' super and have tax benefits. For information visit: ato.gov.au/Forms/Contributions-splitting/	

5. Planning for child care

Prepare sooner rather than later

Things to know	Steps you can take	Completed
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How can I/we plan ahead for child care?

<p>Child care can be one of your biggest expenses when you or your partner return to work so it's good to plan ahead – for example getting on waiting lists.</p>	<p>To search for child care options visit: childcarefinder.gov.au/</p>	
	<p>Secure a spot on the waitlist at your preferred child care centre(s) as soon as possible. Note that they may require a deposit or bond for you to secure a spot – so plan ahead for this too.</p>	
	<p>Sometimes there may be a waiting list for child care. So, to ensure the system is fair, the government has 'Priority of Access Guidelines'.</p> <p>For example children in a single parent family are priority 2. Review these guidelines if you face a waiting list for child care.</p> <p>Find out more: education.gov.au/priority-filling-child-care-places</p>	
	<p>Plan ahead for child care costs. Keep in mind that they can also include not just child care fees but also extra expenses like transport costs and even overtime fees.</p>	

What government assistance is available?

<p>You may be able to receive government benefits to assist with the costs of child care.</p>	<p>The Child Care Subsidy. You must meet certain criteria to receive this payment and how much you receive depends on your circumstances.</p> <p>Find out more: humanservices.gov.au/individuals/services/centrelink/child-care-subsidy</p>	
	<p>The Additional Child Care Subsidy. If you are experiencing financial hardship you may be eligible for extra support with child care fees.</p> <p>Find out more: humanservices.gov.au/individuals/services/centrelink/additional-child-care-subsidy</p>	



Tips from an employee

Choosing the right childcare centre to look after your baby is a big emotional and financial decision. My tip is to do a tour of the centre before deciding to put your name down. In addition to how you feel about the centre itself, consider costs - including the daily fees, the cost to be added to the waitlist and the inclusions and exclusions (nappies, milk, food, etc). Also consider mandatory holiday closures and the logistics to travel to and from work and home.

Jenny, CommBank





Further resources

ASIC's MoneySmart website can help you with:

- Resources covering the financial aspects of having a baby.
- Calculators on budgeting and saving, to debt and tax, and superannuation and retirement.
- Independent guidance across a range of topics including budgeting and managing debt.

Visit: moneysmart.gov.au/

For resources designed for women:

Visit WomenTalkMoney: womentalkmoney.org.au/

Download CommBank's Women's Financial Wellbeing Guide:
commbank.com.au/women-in-focus/womens-financial-wellbeing-guide.html

Things you should know: Information is current at January 2020 but is subject to change. The information in this booklet is provided for general information purposes only. Links or references to material on external sites are provided for your convenience only and inclusion does not represent an endorsement of the external providers. The information is not financial advice nor is it a recommendation or statement of opinion intended to influence you in making a decision in respect of your financial circumstances. You should consider seeking independent financial, taxation or legal advice specific to your circumstances. You should also consider the Terms and Conditions and/or Product Disclosure Statement of any product before deciding which product is appropriate for you. Applications for finance are subject to credit approval. Fees and charges may be payable. Commonwealth Bank of Australia ABN 48 123 123 124. Australian credit licence 234945.