

# CENTRELINK PAYMENTS TO HELP YOU WITH THE COST OF RAISING CHILDREN

Raising a child need not be as hard on the purse strings as you first may have thought. There are a number of payments available to parents to assist with everything from the start up costs to ongoing payments subject to satisfying the income requirements.

## Baby Bonus

This maternity payment is paid to families following the birth or adoption of a baby. The payment is paid in fortnightly instalments and for 2011/12 is \$5,437 per eligible child. The Baby Bonus is income tested.

## Paid Parental Leave

This scheme was introduced on 1 January 2011 and provides support for working parents. The current rate of payment is \$589.40 a week for a maximum of 18 weeks. Parental Leave and the Baby Bonus cannot be paid for the same child and an income test applies.

## Family Tax Benefit A

Family Tax Benefit A provides a regular payment to low to middle income families. Your level of assets does not affect the level of Family Tax Benefit A you receive.

Your family income can be up to \$46,355 a year before your payment is reduced. If your family income is more than \$46,355 a year, your payment will reduce by 20 cents in the dollar until you reach the base rate.

## Income limit beyond which only base rate may be paid

NUMBER OF CHILDREN 0-12 YEARS	NUMBER OF CHILDREN 13-15 YEARS			
	NIL	ONE	TWO	THREE
Nil		\$67,398	\$88,440	\$109,482
One	\$60,955	\$81,998	\$103,040	\$124,082
Two	\$75,555	\$96,598	\$117,640	\$138,682
Three	\$90,155	\$111,198	\$132,240	\$153,282

## Income limit at which fortnightly payments of Family Tax Benefit Part A may no longer be paid

NUMBER OF CHILDREN 0-17 YEARS	NUMBER OF CHILDREN 18-24 YEARS			
	NIL	ONE	TWO	THREE
Nil		\$102,870	\$115,219	\$128,553
One	\$101,312	\$113,661	\$126,996	\$140,331
Two	\$112,104	\$125,439	\$138,773	\$152,108
Three	\$123,881	\$137,216	\$150,551	\$163,885

The current maximum rate for children under 13 years is \$5,018.75 per year while the base rate is \$2,098.75.

Family Tax Benefit A may also provide:

- large family supplement
- multiple birth allowance
- rent assistance.

## Family Tax Benefit B

Family Tax Benefit B provides a regular payment to sole parent families and two parent families where one has chosen to stay at home. Once again, the payment is not affected by the amount of assets you have.

It is however affected by the level of income earned by the lower income earner in a two-parent family. The maximum amount is paid where their income is less than \$4,891 and reduces proportionately until their income reaches \$24,912 (where their youngest child is less than 5 years).

Single parent families automatically receive the maximum amount of Family Tax Benefit B however no benefit is available where the family income exceeds \$150,000 pa.

## Maximum rate of Family Tax Benefit B

AGE OF YOUNGEST CHILD	PER YEAR
Under 5 years	\$4,004.05
5-15 years (or 16-18 if full-time student)	\$2,898.10



### Parenting payment

The parenting payment is only payable to parents who are partnered and have a child under the age of 6 or single parents who have a child under the age of 8 or if you have been receiving the parenting payment prior to 1 July 2006.

Once your youngest child attains age 6 you are required to enter into an activity agreement. If you were already receiving parenting payment before 1 July 2006 you will continue to receive parenting payment until your youngest child reaches age 16, however you will also be required to meet an activity test from when your youngest child reaches age 7.

The parenting payment may provide up to \$641.50 per fortnight for a single parent and up to \$439.40 per fortnight for a partnered parent.

Both income and asset tests apply to this payment.

### Maternity immunisation allowance

The first maternity immunisation allowance is paid for children aged 18-24 months who have been fully immunised. It must be claimed before the child reaches two years of age.

The second payment is available for children between 4-5 years. The full amount of allowance is \$258 per child and is not asset or income tested, so provided you have your child immunised and apply within the required time you will qualify for payment.

### Child Care Benefit

Child Care Benefit (CCB) is a payment to help families who use registered childcare and/or approved childcare.

**Registered care** includes care provided by nannies, grandparents, relatives or friends who are registered with the Family Assistance Office. It may also include care provided by private pre-schools; kindergartens and some outside school hours care services.

**Approved childcare** is care that is provided by a service provider that has been approved to receive Child Care Benefit payments on behalf of eligible families.

To qualify for the CCB, both parents are required to meet the work/study/training test for at least 15 hours per week or 30 hours per fortnight. Single parents are also required to meet this activity test. Grandparents who are the primary carers may be exempt from this activity test and may even qualify for the full cost of approved care for up to 50 hours per child per week.

The maximum rate for approved care is \$3.78 per hour for a non-school child. Rates for school children are 85 percent of the non-school child rates. The rates can be paid directly to the childcare service to reduce the fees charged or made as a lump sum to parents after the end of the financial year.

The maximum rate of childcare benefit for approved childcare is payable to families with incomes less than \$39,785 per annum or those on income support. Rates gradually decrease with income over this amount.

There is no income test to qualify for registered care - a set rate of \$0.632 per hour is available.

Neither registered care or approved care is subject to an asset test.

All taxation and Centrelink information is based on our understanding, and the continuation, of current taxation legislation and Centrelink rules as at 19 September 2011.

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Any advice in this material is general advice only and does not take into account your individual objectives, financial situation or needs (your 'personal circumstances'). Before acting on it you should consider the appropriateness of it taking into account your personal circumstances.

Before making any investment decisions we recommend you contact your financial planner.



### For more help

More information can be found by visiting [centrelink.gov.au](http://centrelink.gov.au) and [ato.gov.au](http://ato.gov.au), or by calling to speak with a ClearView Financial Adviser on 132 976.