

Fact sheet

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.

Maternity payment

The maternity payment is paid to families following the birth or adoption of a baby. The payment is paid in 13 equal fortnightly payments for each child. The baby bonus for 2009/10 is \$5,185. This baby bonus is income tested.

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 \$44,165 a year before your payment is reduced. If your family income is more than \$44,165 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 | | \$64,240 | \$84,315 | \$104,390 |
| One | \$58,090 | \$78,165 | \$98,240 | \$118,315 |
| Two | \$72,015 | \$92,090 | \$112,165 | \$132,240 |
| Three | \$85,940 | \$106,015 | \$126,090 | \$146,165 |

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 | | \$100,169 | \$109,817 | \$120,402 |
| One | \$98,672 | \$108,320 | \$118,905 | \$129,490 |
| Two | \$106,824 | \$117,409 | \$127,994 | \$138,579 |
| Three | \$115,912 | \$126,497 | \$137,082 | \$147,667 |

The current maximum rate for children under 13 years is \$4,803.40.

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 \$4,672 and reduces proportionately until their income reaches \$23,817 (where their youngest child is less than 5 years).

Single parent families automatically receive the maximum amount of Family Tax Benefit B.

Maximum rate of Family Tax Benefit B

| Age of youngest child | Per fortnight | Per year |
|-----------------------|---------------|------------|
| Under 5 years | \$133.56 | \$3,482.10 |
| 5-15 years | \$93.10 | \$2,427.25 |



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 \$574.50 per fortnight for a single parent and up to \$411.50 per fortnight for a partnered parent.

The maximum amount of parenting payment payable will be reduced where the parents' income exceeds the lower income and asset test thresholds and will cut out completely once either of these thresholds is exceeded.

Maternity immunisation allowance

The 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.

It is paid as two separate amounts of \$122.75 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.

Further information

There are a number of other benefits available for special circumstances. More information about these, the benefits discussed above and the full range of Centrelink services available can be found at www.centrelink.gov.au, or by calling Centrelink on 13 61 50.

The basic rates for approved care range from \$0.602 per hour to \$3.60 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 to parents after the end of the financial year.

The basic rate for registered care is \$0.602 per hour for a nonschool child. Rates for school children are 85 percent of the nonschool child rates. The rate is paid by direct credit on presentation of receipts.

The maximum rate of childcare benefit for **approved childcare** is payable to families with incomes less than \$37,960 per annum or those on income support. The upper income threshold (above which only the minimum rate is payable) is \$131,560 for one child, \$136,375 for two children and \$153,995 for three children.

There is no income test to qualify for registered care.

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 1 July 2009.

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

