

GOVERNMENT BENEFITS FOR PARENTS & FAMILIES

The Australian Government, through Services Australia, provide a number of payments to parents to assist in the cost of raising children.

A comprehensive list of the various bonuses and benefits can be found at <https://www.servicesaustralia.gov.au/individuals/families>

To be eligible for these benefits you must be an Australian Resident for Family Assistance purposes (which is different for Tax Purposes).

To be a resident for Family Assistance purposes generally you must reside in Australia and either be an Australian citizen, hold a permanent visa or hold one of various temporary visas. For more details <https://www.servicesaustralia.gov.au/individuals/topics/residence-descriptions/30391>

Before your baby is born

We recommend you work out what you might be eligible for and lodge claims where possible prior to the arrival of your baby. You can submit your pre-birth claim up to 3 months before your baby is born.

<https://www.servicesaustralia.gov.au/individuals/subjects/having-baby>

The most relevant bonuses and benefits available to parents are summarised below.

Parental Leave Pay

<https://www.servicesaustralia.gov.au/individuals/services/centrelink/parental-leave-pay>

This is to provide support for eligible parents take time off work to care for a newborn or recently adopted child. The payments are for up to 18 weeks for children born or adopted before 1 July 2023, and up to 20 weeks for children born or adopted from 1 July 2023.

To meet the parental leave work test you must have worked at least 10 of the 13 months before the birth or adoption of your child and worked a minimum of 330 hours in that 10-month period. This equates to approximately 8-9 hours per week in the 10 months. You can't have more than a 12-week gap between each workday. You must also meet an income test which you must have individually earned less than \$168,865 in FY22-23 to be eligible.

The amount of parental leave pay is calculated at the rate of the national minimum wage, currently \$812.45 per week before tax. It is a taxable payment that can be paid by your employer or the Services Australia directly.

NOTE: Parental Leave Pay and Newborn payment / supplement cannot be paid for the same child. If you meet the eligibility criteria for both payments, you can choose which one is the best financial decision for your family.

Newborn Upfront Payment & Newborn Supplement

This payment replaced what was previously known as the Baby Bonus from 1st March 2014. For more information visit

<https://www.servicesaustralia.gov.au/individuals/services/centrelink/newborn-upfront-payment-and-newborn-supplement>

The payment is in the form of a lump sum and increase to Family Tax Benefit Part A payment when you start caring for a baby or child that has recently come into your care. This includes having a baby, a child coming into your care, or you adopt a child.

The lump sum amount is \$641 per child and is not taxable. The increase to the Family Tax Benefit Part A (Newborn Supplement) is for 13 weeks and not taxable, and the amount is dependent on the number of children you have and your family's income. The maximum amount you can receive for your first child is \$1,924.65 for the 13 weeks period, and for any additional children the additional maximum amount is \$642.46 per child.

Dad and Partner Pay

Up to two-week payment for Dad's or partners caring for a newborn or newly adopted child.

<https://www.servicesaustralia.gov.au/individuals/services/centrelink/dad-and-partner-pay>

To be eligible you must have individually earned less than \$168,865 for the financial year ending 30th June 2023, not be working or taking paid leave during this payment period and have met the work test which requires you have worked a minimum of 10 out of the 13 previous months and a minimum of 330 hours in that period.

The payment is currently \$882.75 per week before tax, which is based on the weekly rate of national minimum wage.

Family Tax Benefit (FTB)

Is a payment that you can receive to help with the cost of raising your dependent children.

There are two parts FTB Part A and FTB B and you may be eligible for either Part A or B only or both Part A and Part B. To be eligible you must have a dependent child or full-time secondary student aged 16-19 who isn't receiving any Centrelink payment, care for the child at least 35% of the time and meet an income test.

Part A is income tested based on your adjusted taxable income (ATI – see definition below) and Part B is additional assistance to families with one main income, including single parent families.

<https://www.servicesaustralia.gov.au/individuals/services/centrelink/family-tax-benefit>

Family Tax Benefit Part A

May apply where you have dependent children under age 19 whom you provide care for a minimum of 35% of the time. If between the ages of 16-19 they must meet a study requirement whereby they must study full time in secondary school or have an acceptable study load. Your children must also meet the immunisation requirements.

To receive the maximum benefit amount, your family's ATI must be \$62,634 or less, however if your income is higher, you may be eligible for a pro rata amount depending on your level of income and the age and number of children you have.

The maximum rate for each child per fortnight is \$213.36 for a child between 0-12 years of age and \$277.48 for child between 13 to 19 years of age.

Family Tax Benefit Part B

This payment is paid per family and depends upon your income and age of your youngest child. It applies until your youngest children turns 18.

If the primary earner's income is \$112,578 or less, you are eligible for the maximum rate, however if there is a secondary earner and their income is more than \$6,497 each year then payments will reduce 20c for each dollar of income earned over.

The maximum rate per family each fortnight is \$181.44 when the youngest child is between 0-4 years of age, and \$126.56 when the youngest child is between 5-18 years of age.

What is Adjusted Taxable Income (ATI)?

Is your taxable income, adjusted for fringe benefits, net rental property losses, tax free pension and child maintenance that you paid to another person.

Income Tests for Family Tax Benefits

This link gives more information on the income test for Family Tax Benefit Part A
<https://www.servicesaustralia.gov.au/individuals/services/centrelink/family-tax-benefit/how-much-you-can-get/income-test-ftb-part>

This link gives more information on the income test for Family Tax Benefit Part B
<https://www.servicesaustralia.gov.au/individuals/services/centrelink/family-tax-benefit/how-much-you-can-get/income-test-ftb-part-b>

This link gives an idea of the rates of payment for Part A
<https://www.servicesaustralia.gov.au/individuals/services/centrelink/family-tax-benefit/how-much-you-can-get/ftb-part-payment-rates>

This link gives an idea of the rates of payment for Part B
<https://www.servicesaustralia.gov.au/individuals/services/centrelink/family-tax-benefit/how-much-you-can-get/ftb-part-b-payment-rates>

FTB A and FTB B Supplements

These additional yearly payments are paid after the end of the financial year when you and your partner lodge your tax returns. The supplements are an increase in the annual rate of the FTB Part A and B.

For the 2022-23 financial year, the maximum supplements for Part A is \$817.60 for each eligible child and Part B \$397.85 per family. For the 2023-24 financial year, the maximum supplements for Part A is \$879.65 for each eligible child and Part B \$430.70 per family.

The amounts depend on the number of children in your care, your family's income, if you share care and the number of days you were eligible for Part A or B payments.

Child Care Subsidy (CCS)

Provides help with the cost of approved childcare and Services Australia pays it directly to your childcare provider.

To be eligible you must care for a child under the age of 13 who is not attending secondary school, use an approved childcare service, be responsible for paying the childcare fees and meet residency and immunisation requirements.

Please click onto link more information regarding eligibility -
<https://www.servicesaustralia.gov.au/individuals/services/centrelink/child-care-subsidy/who-can-get-it>

We'll work out how much CCS you're entitled to using [your family income estimate](#).

You can calculate the payment amount using Centrelink's Payment and Service Finder -
https://www.centrelink.gov.au/custsite_pfe/pymtfinderest/paymentFinderEstimatorPage.jsf?wec-appid=pymtfinderest&wec-locale=en_US#stay

Additional Childcare Subsidy

Gives some families extra assistance with the cost of approved childcare.

<https://www.servicesaustralia.gov.au/individuals/services/centrelink/additional-child-care-subsidy>

Customer Services

If you haven't already we would recommend you set up a mygov account and link it to Centrelink <https://www.servicesaustralia.gov.au/individuals/subjects/self-service#centrelink>

You can call the Family Assistance Office on 13 6150 between 8am and 8pm and they are generally very helpful but you may need to wait on hold for a long time.

There is also a Centrelink app for families which is worth setting up too.

Express Plus for Families App

This app will allow you to:

- register your newborn
- view and update family income estimates
- view childcare summary
- subscribe to letters online and view letters
- upload documents

This content is general in nature and has been prepared for information purposes only and does not constitute any specific recommendations. It has not taken into account your objectives, financial situation or needs and you must therefore assess whether it is appropriate, in the light of your own individual objectives, financial situation or needs, to act upon this content. We recommend that you obtain financial, legal and taxation advice before making any financial investment decision.

We provide external links for your convenience; however we do not accept responsibility for or endorse the content or condition of any linked site. Please let us know if you find any issues with the links provided.

You should refer to our Financial Services Guide (FSG) in relation to any financial service provided to you.

LAST UPDATED 18/03/2024