

UNDERSTANDING FAMILY ASSISTANCE OFFICE PAYMENTS



ABOUT THE PRESENTER

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UNDERSTANDING FAMILY ASSISTANCE OFFICE PAYMENTS

Agenda

1. Choosing between the 'baby bonus' and 'paid parental leave'
2. Introduction to Family Tax Benefit Part A
3. Introduction to Family Tax Benefit Part B
4. Child Care Benefit
5. Child Care Rebate
6. Where to get more information
7. About Apex Partners

'BABY BONUS' VS. 'PAID PARENTAL LEAVE'

General Eligibility Criteria

Baby Bonus (BB)	Paid Parental Leave (PPL)
Combined family income must be \$75,000 or less in the 6 months following birth	Claimants income must be \$150,000 or less in the financial year before birth (or claim)
Paid via 13 installments of \$407.23 per fortnight (total \$5,294)	Claimant must have worked at least 10 of the 13 months prior to birth (for just over 1 day per week)
BB <u>is not</u> 'taxable income'	Payment rate of \$570 per week , less tax (minimum wage) for 18 weeks (total \$10,260)
Payment administered via the Family Assistance Office	PPL is 'taxable income' and can impact other Family Assistance Office payments
Does not impact other Family Assistance Office payments	Payment administered by your employer
	Cannot receive Family Tax Benefit Part A or Part B during the 18 week payment period

‘BABY BONUS’ VS. ‘PAID PARENTAL LEAVE’

Case Study 1 – What to Choose

- Husband annual income of \$80,000 per annum
- Wife ‘pre-birth’ income of \$40,000 per annum
- Wife pregnant with first child due on 30 September (i.e. 3 months working in the FY)
- Wife taking maternity leave for 12 months
- Can’t decide on whether to take ‘baby bonus’ or ‘paid parental leave’

'BABY BONUS' VS. 'PAID PARENTAL LEAVE'

Case Study 1 – What to Choose

Item	Baby Bonus	Paid Parental Leave
Baby Bonus	\$5,294	Nil
Paid Parental Leave	Nil	\$10,260
Income Tax	Nil	(\$1,693)*
Family Tax Benefit - Part A	\$999	Nil
Family Tax Benefit - Part B	\$1,873	\$225
TOTAL BENEFIT (FINANCIAL YEAR)	\$8,166	\$8,792

* Employer may deduct a higher rate of tax, although this will be refunded upon completion of tax return

‘BABY BONUS’ VS. ‘PAID PARENTAL LEAVE’

Case Study 2 – What to Choose

- Husband has no income (i.e. not working)
- Wife ‘pre-birth’ income of \$150,000 per annum
- Wife pregnant with first child due on 31 January (i.e. 7 months working in the FY)
- Wife taking maternity leave for 18 weeks only
- Can’t decide on whether to take ‘baby bonus’ or ‘paid parental leave’

'BABY BONUS' VS. 'PAID PARENTAL LEAVE'

Case Study 2 – What to Choose

Item	Baby Bonus	Paid Parental Leave
Baby Bonus	\$5,294	Nil
Paid Parental Leave	Nil	\$10,260
Income Tax	Nil	(\$3,950)
Family Tax Benefit - Part A	\$555	Nil
Family Tax Benefit - Part B	\$1,477	Nil
TOTAL BENEFIT (FINANCIAL YEAR)	\$7,326	\$6,310

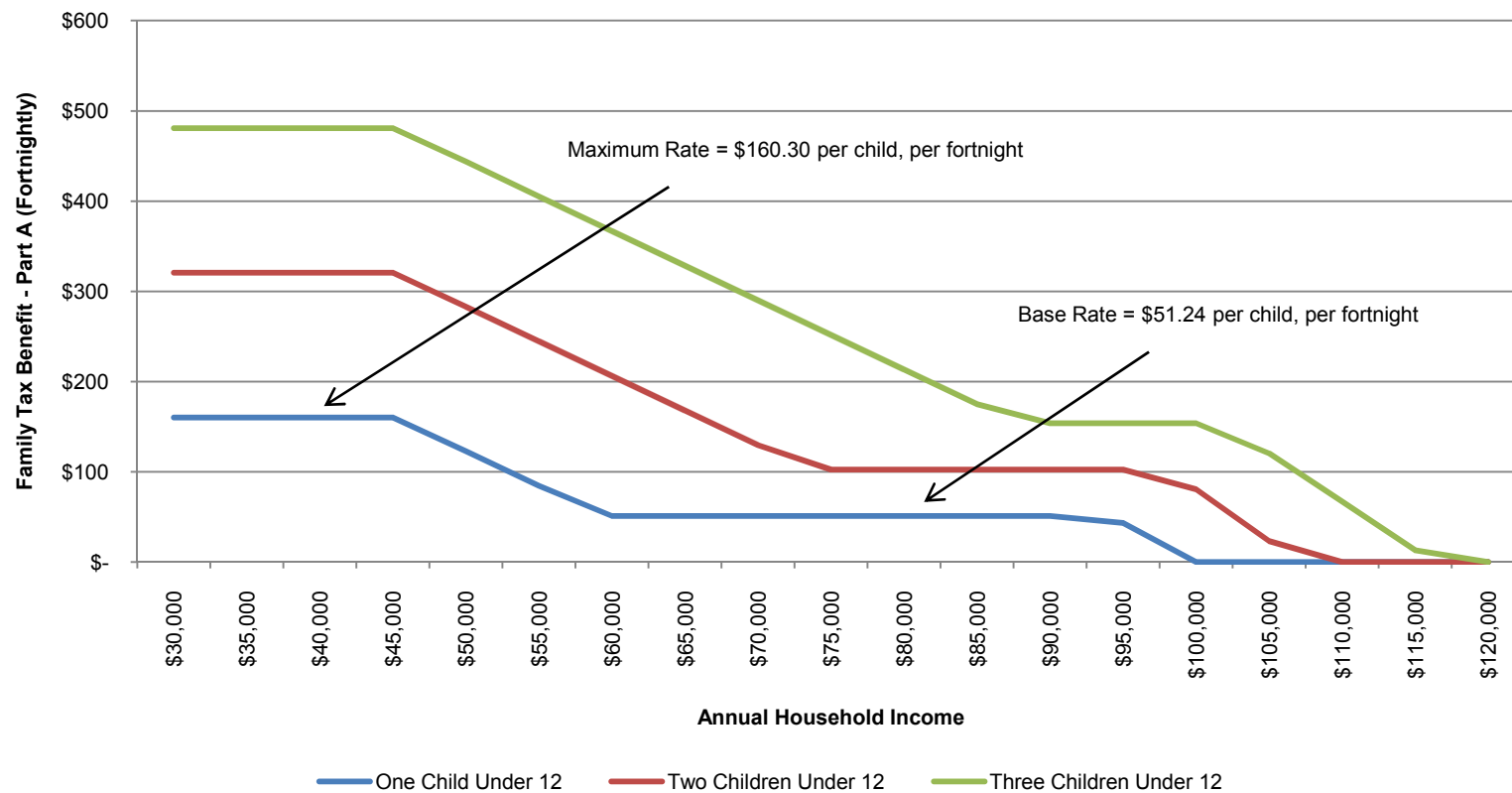
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FAMILY TAX BENEFIT (FTB) – PART A

Payment Amounts – Family Tax Benefit Part A (Children Under 12 years)



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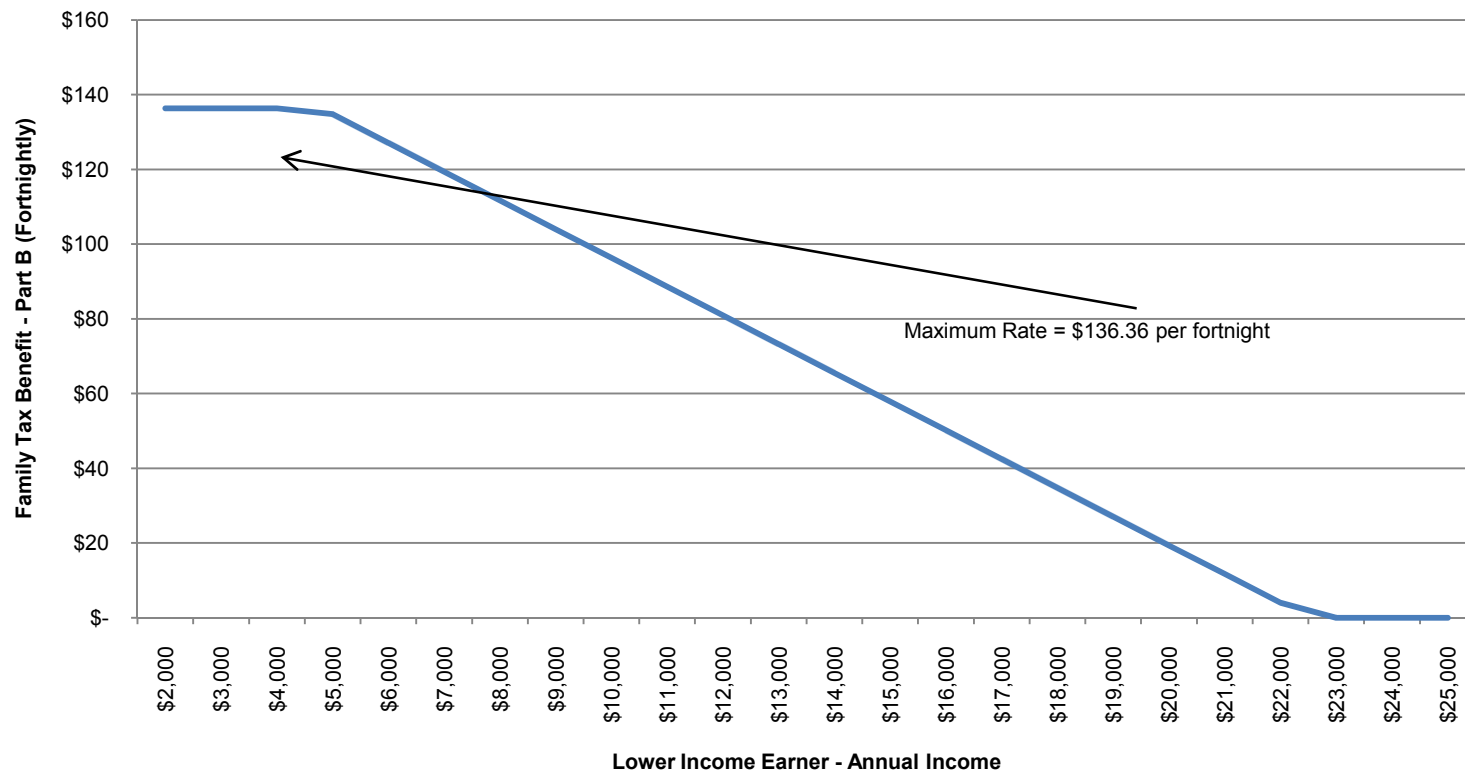
FAMILY TAX BENEFIT (FTB) – PART B

General Eligibility Criteria

- Generally, must have a dependent child under 18
- Primary income earner's income must be \$150,000 per year, or less
- Rate is reduced when secondary income earner's income is greater than \$4,745 per year
- Same amount regardless of number of children

FAMILY TAX BENEFIT (FTB) – PART B

Payment Amounts – Family Tax Benefit Part B (Children Under 5 years)



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CHILD CARE BENEFIT (CCB)

General Eligibility Criteria

- Child must be immunised to qualify (or have exemption)
- Full payment if family income is under \$38,763
- To qualify family income must be less than \$134,443 per year (1 child) or \$139,333 (2 children)
- Maximum rate is as follows:
 - One child in Approved Care - **\$184.00 per week**
 - Two children in Approved Care - **\$384.55 per week**
 - Three or more children in Approved Care - **\$600.12 per week** (+\$200.04 per week for each extra child)
- Benefit paid to Child Care Centre (i.e. reduced fees) or annually as a lump-sum

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CHILD CARE REBATE (CCR)

General Eligibility Criteria

- Child must be immunised to qualify (or have exemption)
- You and your partner must be working (or looking for work) to qualify
- Payment equals 50% of out-of-pocket child care expenses up to a cap of \$7,500 per child, per year
- Out-of-pocket expenses are child care fees (less any child care benefit payable)
- Benefit paid quarterly or annually as a lump-sum

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WHERE TO GET MORE INFORMATION

For More Information

- Call us on 1300 856 338 during business hours
- Contact Family Assistance Office on 136 150
- Family Assistance Office online calculator
<https://secure.centrelink.gov.au/RateEstimatorsWeb/publicUserCombinedStart.do?OriginName=FAO>
- Guide to Family Assistance Office Payments
<http://www.centrelink.gov.au/internet/internet.nsf/publications/fpr006.htm>



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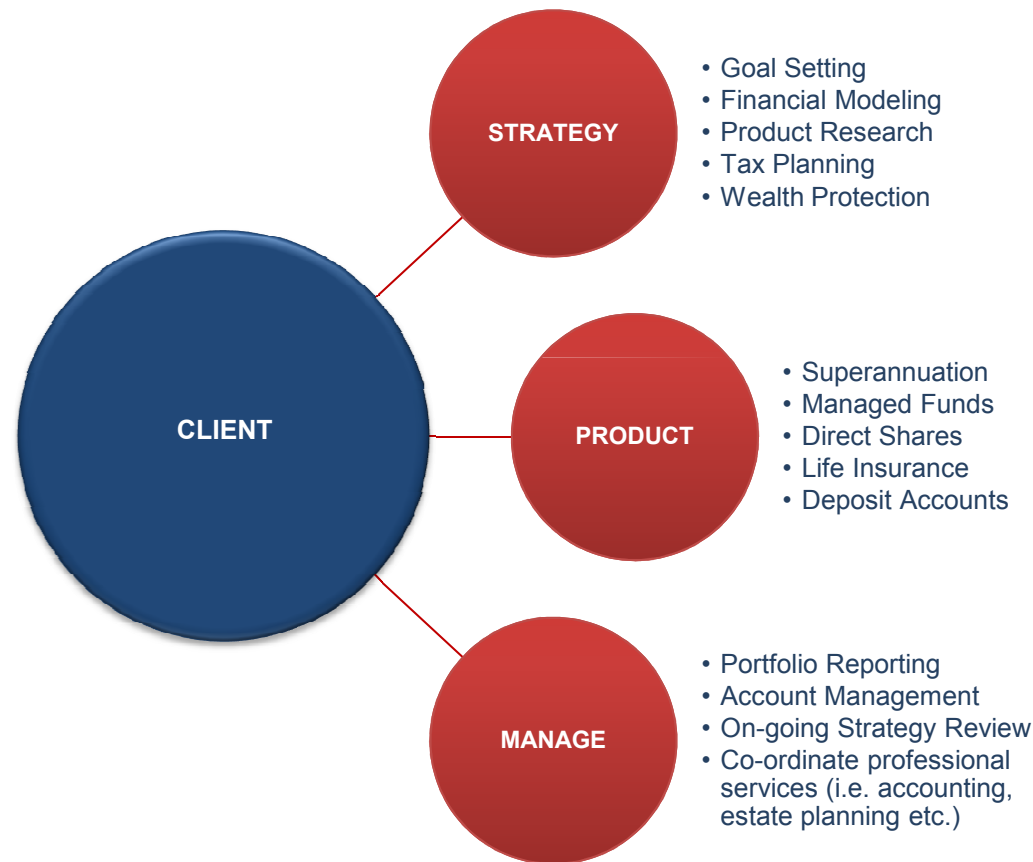
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What we do...

- We provide quality independent financial advice
- Over 90% of clients are parents with children under 10 years
- Our areas of expertise
 - Budgeting and savings strategies
 - Maximising government benefits
 - Education savings strategies
 - Personal insurance advice
 - Investment strategies
 - Superannuation advice and management
 - Tax planning
 - Debt management strategies
- Financial plan fee from \$495 (including GST)

The Role Of An Adviser



QUESTIONS, COMMENTS OR FEEDBACK?

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