



## Appendix E - Income support payments as at 1 July 2008<sup>1</sup>

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<sup>1</sup> Australian Government, Department of Families, Housing, Community Services and Indigenous Affairs, *Australia's Future Tax System*, Pension Review Background Paper, August 2008.

Rates (per fortnight)	Income test (per fortnight)	Assets test
<b>Pensions — includes Age Pension, Disability Support Pension, Carer Payment, Parenting Payment Single, Bereavement Allowance, Wife Pension, Widow B Pension and Service Pension</b>		
<p>Single: \$546.80 Partnered: \$456.80 (each)</p> <p><i>Single DSP under 21, no children</i> (Youth Allowance plus Youth Disability Supplement of \$100.60, total cannot exceed adult DSP rate):</p> <p>&lt;18, at home: \$295.10 18-20, at home: \$334.50 16-20 independent: \$456.00 Member of a couple: \$456.00</p> <p>Rates are adjusted each March and September in line with increases in the CPI. Single adult rates are also benchmarked against 25% of MTAW, with a proportional flow-on to partnered rates. Pensions are taxable, except for Disability Support Pension and Invalidity Service Pension paid to people under Age Pension age, and Carer Payment and Wife Pension spouse where the person being cared for or the spouse is receiving a non-taxable pension.</p>	<p>Free Area: \$138 (single) \$240 (couple) plus \$24.60 per child</p> <p>Taper:</p> <p>Singles: 40% of income above free area Couples: 20% of combined income above free area for each member of couple.</p> <p>Working Credit* available if aged under Age Pension age.</p> <p>Income test does not apply to a permanently blind person receiving Age, Service or Disability Support Pension.</p> <p>Some income types are subject to different arrangements (for example, compensation payments may be deducted directly from the rate otherwise payable).</p>	<p><i>Homeowners for full pension:</i> Single \$171,750 Partnered (combined): \$243,500</p> <p><i>Non-Homeowners for full pension:</i> Single: \$296,250 Partnered (combined): \$368,000</p> <p>Assets over the limit reduce pensions by \$1.50 per fortnight for every \$1,000 above the threshold.</p> <p><i>Homeowners for part pension:</i> Single: \$540,250 Partnered (combined): \$856,500</p> <p><i>Non-Homeowners for part pension:</i> Single: \$664,750 Partnered (combined): \$981,000</p> <p><i>(Amounts are higher if receiving RA or separated due to illness)</i></p> <p>For Parenting Payment Single, see Allowances.</p> <p>Assets test does not apply to a permanently blind person receiving Age, Service or Disability Support Pension.</p>

Rates (per fortnight)	Income test (per fortnight)	Assets test
<b>Allowances — excluding student and youth payments. Includes Newstart Allowance, Parenting Payment Partnered, Sickness Allowance, Mature Age Allowance, Widow Allowance and Partner Allowance</b>		
<p>Higher single rate: \$472.80  Lower single rate: \$437.10  Partnered: \$394.40</p> <p>Higher single rate applies to: a person with a dependent child; or a person aged 60 or more and on income support for at least 9 months; and to partnered people separated due to ill-health, infirmity or because the partner is in gaol.</p> <p>Lower single rate applies to singles not covered by the higher rate.</p> <p>Rates are adjusted each March and September in line with increases in the CPI. Payments are taxable.</p>	<p>Free Area: \$62  Tapers: 50% of income \$62-\$250,  60% of income above \$250</p> <p><i>Partner income test:</i>  Free Area: \$751  Taper: 60%</p> <p>If partner is a pensioner, then a joint income test applies. Individual income is calculated as half the combined income of the couple. This amount is then subject to the person's individual income test.</p> <p>If partner is not a pensioner, a sequential income test applies. Individual income test is applied to own income. Partner income over the partner income free area is subject to a 60% taper.</p> <p>Working Credit* applies.</p>	<p><i>Homeowners ineligible for allowance if assets exceed:</i>  Single: \$171,750  Partnered (combined): \$243,500</p> <p><i>Non-Homeowners ineligible if assets exceed:</i>  Single: \$296,250  Partnered (combined): \$368,000</p>

Rates (per fortnight)	Income test (per fortnight)	Assets test
<b>Allowances - youth and student payments. Includes Youth Allowance (Student), Austudy and Abstudy.</b>		
<p><i>Youth Allowance (YA)</i></p> <p>&lt;18, at home: \$194.50 18 +, at home: \$233.90</p> <p><i>YA and Austudy</i></p> <p>Partnered, no children; and Away from Home: \$355.40 Single, with children: \$465.60 Partnered, with children:\$390.20</p> <p>Higher rates are available to long-term income support recipients aged 21 or over commencing full-time study or an apprenticeship.</p> <p>YA with partial capacity to work receive YA rates plus Youth Disability Supplement of \$100.60 (total is capped at adult Newstart rates).</p> <p>Rates are adjusted each January in line with increases in the CPI.</p> <p>Payments are taxable.</p>	<p><i>Personal income test</i></p> <p>Free Area: \$236</p> <p>Tapers: 50% of income \$236-\$316; 60% of income above \$316</p> <p>Student Income Bank** available.</p> <p><i>Partner income test as for other allowances.</i></p> <p><i>Parental income test</i></p> <p>YA for non-independent young people is paid subject to a parental income test, unless a parent receives income support or holds a low-income Health Care Card. The family actual means test applies to specified families.</p>	<p>YA for independent young people and Austudy payment are assets tested as for other allowances.</p> <p>YA for non-independent young people is paid subject to a family assets test, unless a parent receives income support or holds a Health Care Card.</p>

Rates (per fortnight)	Income test (per fortnight)	Assets test
<b>Income support — veterans (does not include payments of a compensatory nature)</b>		
<p>Income Support Supplement (ISS) is payable to eligible war widow(er)s with a maximum fortnightly rate of \$163.20.</p> <p>Indexed in March and September with reference to CPI and MTAW.</p> <p>ISS is not taxable when recipient is aged less than 65, but is taxable otherwise.</p>	<p>Free area for ISS: \$1,097 (single).  ISS Taper: 40% of income above free area.  Different ISS free areas and taper rates apply for members of a couple.</p>	<p><i>Homeowners for full ISS*:</i>  Single: \$427,500</p> <p><i>Non-Homeowners for full ISS*:</i>  Single: \$552,000</p> <p>Assets over this limit reduce the ISS by \$0.375 per fortnight for every \$250 above the threshold.  Different thresholds apply for members of a couple.</p>
<b>Safety net</b>		
<p>Special Benefit rate is discretionary but cannot exceed Newstart or Youth Allowance rates otherwise applicable.</p>	<p>No Free Area. \$1 for \$1 withdrawal rate. Plus strict liquid asset limits.</p>	<p>As for allowances.</p>

- 1 Veterans and their dependents are entitled to a further range of payments which are of a compensatory nature, and as such are not detailed here.
- \* Working Credit: a credit accrues for each \$1 of unused free area (up to \$48 per fortnight) up to a maximum of 1,000 credits. Credits can be used to reduce the amount of earned income subject to the personal income test.
- \*\* Student Income Bank: students can accrue up to \$6,000 of unused free are to reduce income in other periods.

### Family assistance payments as at 1 July 2008

Payment type	Rate/s	Income test (no assets test)								
<b>Family Tax Benefit (FTB)</b>										
<p><i>FTB Part A</i></p> <p>Must have a dependent child aged under 21 or qualifying dependent full-time student aged 21-24. Child is not a dependent child (not an FTB child) if they receive an income support payment; or they are a non-full time student aged 5-15 or aged 16-24 years with income at or exceeding the FTB Child Income Limit.</p> <p><i>Rent Assistance</i> is paid as part of the maximum rate of FTB Part A for families with children under 16.</p> <p>Families eligible for the maximum rate of FTB Part A (prior to the application of the Maintenance Income Test) are also issued a <i>Health Care Card</i>.</p>	<p><i>Maximum rate per fortnight:</i></p> <table> <tr> <td>0-12</td> <td>\$151</td> </tr> <tr> <td>13-15</td> <td>\$196.84</td> </tr> </table> <p><i>Base rate per fortnight:</i></p> <table> <tr> <td>Under 18:</td> <td>\$48.30</td> </tr> <tr> <td>18-24:</td> <td>\$64.96</td> </tr> </table> <p><i>FTB Part A supplement per child:</i> \$686.20 per annum</p> <p><i>Large Family Supplement</i> paid for third and each subsequent child: \$10.36 per fortnight, \$270.10 per annum</p> <p><i>Multiple Birth Allowance:</i></p> <p>Triplets: \$125.58 per fortnight, \$3,274.05 per annum</p> <p>Quads or more: \$167.44 per fortnight, \$4,365.40 per annum</p>	0-12	\$151	13-15	\$196.84	Under 18:	\$48.30	18-24:	\$64.96	<p><i>Maximum rate income test per annum</i></p> <p>Lower income threshold:\$42,559</p> <p>Taper rate: 20%</p> <p><i>Base rate income test per annum</i></p> <p>Higher income threshold:\$94,316</p> <p>Additional Child Amount:\$3,796</p> <p>Taper rate: 30%</p> <p>FTB Child Income Limit:\$12,287 per annum</p> <p>FTB Part A income test does not apply if parent receives an income support payment.</p> <p>Income for the FTB Part A income test is the 'adjusted taxable income' (ATI)* of the person claiming payment and their partner for the financial year FTB is claimed.</p> <p>The Maintenance Income Test applies to FTB Part A above the base rate (including Rent Assistance).</p> <p><i>Maintenance income-free areas per annum:</i></p> <p>Single parent, or one of a couple receiving maintenance: \$1,292.10</p> <p>Couple, each receiving maintenance: \$2,584.20</p> <p>For each additional child: \$430.70</p> <p>Maintenance over these amounts may reduce FTB Part A by 50 cents in the dollar, until the base rate of FTB Part A is reached.</p>
0-12	\$151									
13-15	\$196.84									
Under 18:	\$48.30									
18-24:	\$64.96									

Payment type	Rate/s	Income test (no assets test)				
<p><b>FTB Part B</b></p> <p>Must have a dependent child (FTB child) aged under 16 or qualifying dependent full-time student aged 16-18.</p>	<p><i>Maximum rate per fortnight:</i></p> <table border="0"> <tr> <td>Under 5</td> <td>\$128.80</td> </tr> <tr> <td>5-18 years</td> <td>\$89.74</td> </tr> </table> <p><i>FTB Part B supplement per family:</i></p> <p>\$335.80 per annum</p>	Under 5	\$128.80	5-18 years	\$89.74	<p><i>Second earner income test:</i></p> <p>Income threshold: \$4,526 per annum</p> <p>Taper rate: 20%</p> <p>For couples, the second earner income test applies to the ATI of the lower income earner. The second earner income test does not apply to single parents.</p> <p>FTB Part B income limit: payment only available if primary earner ATI is \$150,000 or less.</p>
Under 5	\$128.80					
5-18 years	\$89.74					
<b>Baby Bonus</b>						
<p>Paid following birth (including stillbirth) or adoption of a baby. From 1 January 2009 will be extended to the adoption of children aged under 16.</p> <p>Parents are required to formally register the birth of their child.</p>	<p>\$5,000 per child. Paid by 13 fortnightly instalments for claimants aged 17 and under.</p> <p>Others recipients can be paid as a lump sum, or a combination of lump sum and fortnightly payments. From 1 January 2009, all customers will be paid by fortnightly instalment paid from the date of claim.</p>	<p>Baby Bonus income limit (from 1 January 2009) — family must have income of \$75,000 or less in the six months following birth or adoption.</p>				
<b>Maternity Immunisation Allowance</b>						
<p>Paid for children aged 18-24 months who are fully immunised, or have an approved immunisation exemption.</p>	<p>One-off payment of \$236.70.</p> <p>From 1 January 2009, payment will be made as two instalments - one made for children aged 18 months and 2 years, the other made for children aged between 4 years one month and 5 years.</p>	<p>No income test.</p>				

Payment type	Rate/s	Income test (no assets test)
<b>Child Care Benefit</b>		
<p>Child must attend approved or registered care. Claimant or partner must be liable for the payment of child care fees. Child aged under 7 must have age appropriate immunisation, or have an exemption.</p> <p>All families eligible for up to 24 hours of approved care per week paid subject to family income test.</p> <p>For approved care parents must meet work/study/training test during the week child care is used to receive more than 24 hours and up to 50 hours of CCB per child.</p> <p>For registered care, parents must meet the work/training/study test sometime during the week child care used to receive up to 50 hours CCB.</p> <p>Special rules apply to grandparents with the primary care of a grandchild(ren).</p>	<p><i>Maximum rate — approved care:</i> \$3.47 per hour (\$173.50 for 50 hour week) for a non-school child.</p> <p><i>Minimum rate — registered care:</i> \$0.581 per hour (\$29.05 per week) for a non-school child.</p> <p>Rates for school children 85% of non-school rates.</p>	<p><i>Income test on maximum rate:</i></p> <p>Income threshold: \$36,573</p> <p>Taper rates:</p> <p>One child: 10%</p> <p>Two children: 15% then 25%</p> <p>Three or more children: 15% then 35%</p> <p>Income test does not apply to families on income support.</p> <p>CCB for approved care no longer available when family income reaches, per annum:</p> <p>One child: \$126,793</p> <p>Two children: \$131,457</p> <p>Three children: \$148,452 (plus \$28,028 for each child after the third)</p>
<b>Child Care Tax Rebate</b>		
<p>Child must have attended approved care. Claimant must be assessed as eligible for CCB.</p> <p>Claimant and partner must have passed the CCB work/study/training test (for the purposes of the rebate).</p>	<p>50 per cent of out-of-pocket child care expenses for approved care, up to \$7,500 for 2008-09.</p> <p>Payment made quarterly from October 2008 (for July to September).</p>	<p>No income test.</p>

\*Income for FTB and CCB purposes is 'adjusted taxable income' (ATI) for the financial year FTB is claimed. ATI is 'taxable income' plus the value of adjusted fringe benefits, target foreign income, net rental property loss, and tax free pension or benefit, less deductible child support paid. Family assistance payments are non-taxable.