

Senate Standing Committee on Education Employment and Workplace Relations

**QUESTIONS ON NOTICE
Additional Budget Estimates 2011-2012**

Outcome 4 - Employment

DEEWR Question No. EW1039_12

Senator Siewert provided in writing.

Question

Parents and 1 January 2013 social security changes

- 2.i Please provide a table comparing the various payment rates, income tests, assets, concessions, supplements, etc for a person receiving Parenting Payment (single) at January 2012 with a parent who is moved to Newstart Allowance on 1 January 2013.
- 2.ii Using the results if 2.i please provide the outcomes for a single parent with earnings of \$50; \$100, \$200; \$300; \$400; \$500; \$600; \$700 and \$800 per week.

Answer

Table 1 provides a comparison of the payment rates, income and assets test, and additional supplementary benefits for a Parenting Payment Single (PPS) recipient and a single principal carer receiving Newstart Allowance (NSA).

Please note that payment rates and income and assets test thresholds are as at 1 January 2012. Applicable rates and thresholds from 1 January 2013 are unknown at this point.

	PPS	NSA single principal carer
Rate of payment	\$641.50 per fortnight*	\$526.60 per fortnight*
Income test	Income below the income free area of \$174.60* per fortnight (plus \$24.60 for each additional child) does not affect the rate of PPS. Income above the income free area reduces PPS by 40 cents in the dollar.	<p><i>Current:</i> Income below the income free area of \$62 per fortnight does not affect the rate of NSA. Income above the income free area reduces NSA by 50 cents in the dollar for income between \$62 and \$250 and by 60 cents in the dollar for income above \$250.</p> <p><i>From 1 January 2013 (subject to the passage of legislation):</i> Income below the income free area of \$62 per fortnight does not affect the rate of NSA. Income above the income free area reduces NSA by 40 cents in the dollar.</p>

	PPS	NSA single principal carer
Assets test	PPS is not payable if the recipient's assets exceed \$186,750* for a homeowner or \$321,750* for a non-homeowner	NSA is not payable if the recipient's assets exceed \$186,750* for a homeowner or \$321,750* for a non-homeowner
Supplementary benefits and other assistance	Family Tax Benefit (FTB) (Parts A and B), Rent Assistance, Child Care Benefit, Child Care Rebate, Jobs Education and Training Child Care fee assistance, Pensioner Concession Card, Pharmaceutical Allowance (PhA), Telephone Allowance, Pensioner Education Supplement, Education Entry Payment, Language Literacy and Numeracy Supplement, Approved Program of Work Supplement.	Family Tax Benefit (Parts A and B), Rent Assistance, Child Care Benefit, Child Care Rebate, Jobs Education and Training Child Care fee assistance, Pensioner Concession Card, Pharmaceutical Allowance, Telephone Allowance, Pensioner Education Supplement (in limited circumstances), Education Entry Payment, Language Literacy and Numeracy Supplement, Approved Program of Work Supplement.

Table 2 provides the total disposable income of a PPS recipient and an NSA single principal carer with earnings of \$50, \$100, \$200, \$300, \$400, \$500, \$600, \$700 and \$800 per week.

The calculations in Table 2 are based on payment rates as at 1 January 2012 and (subject to the passage of legislation) the income test applicable from 1 January 2013.

Table 2

Weekly Earnings	Grandfathered PPS recipient with 2 children aged 12 and 14					NSA single principal carer with 2 children aged 12 and 14				
	PPS pf	PhA pf	FTB A&B pf	Tax pf	Total income pf*	NSA pf	PhA pf	FTB A&B pf	Tax paid pf	Total income pf*
\$0	641.50	6.20	545.58	0.00	1193.28	526.60	6.20	545.58	0.00	1078.38
\$50	641.50	6.20	545.58	0.00	1293.28	511.40	6.20	545.58	0.00	1163.18
\$100	641.18	6.20	545.58	0.00	1392.96	471.40	6.20	545.58	0.00	1223.18
\$200	561.18	6.20	545.58	0.00	1512.96	391.40	6.20	545.58	2.31	1340.87
\$300	481.18	6.20	545.58	0.00	1632.96	311.40	6.20	545.58	32.31	1430.87
\$400	401.18	6.20	545.58	8.76	1744.20	231.40	6.20	545.58	62.31	1520.87
\$500	321.18	6.20	545.58	46.56	1826.40	151.40	6.20	545.58	80.40	1622.78
\$600	241.18	6.20	545.58	87.08	1905.88	71.40	6.20	545.58	103.10	1720.08
\$700	161.18	6.20	545.58	154.28	1958.68	0.00	0.00	545.58	127.54	1818.04
\$800	81.18	6.20	545.58	222.08	2010.88	0.00	0.00	545.58	207.36	1938.22

* Note: total disposable income may be higher if the recipient is eligible for additional supplementary payments such as Rent Assistance, Telephone Allowance or the Pension Supplement (over Age Pension age)