

# Child support, Family Tax Benefit and your child care levels

Parents are responsible for supporting their children. If you are together, separated or if you never lived together, your obligation to support your children continues.

This factsheet has information for both parents or non-parent carers, whether you pay or receive child support. You will find information here on:

- **how the child support formula works**
- **how child support and Family Tax Benefit are affected by:**
  - income
  - other family
  - the amount of time you spend with the children (your 'care levels')
- **Family Tax Benefit, child support agreements and collection arrangements**
- **how Legal Aid can help.**

For more information on how to arrange child support and care arrangements for the children, see the Legal Aid factsheet 'Organising child support and care arrangements for your children'.

## How does the child support formula work?

When working out your child support payment, the Child Support Agency looks at:

- both parents' income
- if you are supporting other children
- the costs of raising children (including their ages and the number of children)
- how much time you spend with the children (your 'levels of care').

### How does income affect child support?

The costs of the children are shared by both parents. The Child Support Agency works out these costs by combining both parents income. Each parent has a 'self-support amount' deducted from their income before the calculations are done. The parent with the higher income is responsible for providing the greater share of the children's costs.

Do your tax returns every year. The Child Support Agency and the Australian Taxation Office share their records. If you lodge a tax return late, your child support assessment for past years may change. You may have paid or been paid too much child support. This can cause financial difficulties.

If you look after the children but are not a parent of the children you can apply to the Child Support Agency for child support. Legal Aid or a community legal centre can give you more information.

### What if I pay child support and have other children living with me?

It is important that the Child Support Agency know you have other children of your own living with you. If you do, your income used to calculate your child support responsibilities may be reduced and you may pay less child support.

If you have step-children, your step-child's parents are responsible for supporting them. In special circumstances you can apply to have your assessment reviewed if you have child support children and step-children. Get legal advice about this.

### How do the children's costs and their care arrangements affect child support?

The amount of care you and the other parent provide for the children can be recognised as meeting some or all of the costs of the children.

Some of the children's costs can be met directly through looking after your children, and the rest will be paid or received as child support. This table explains how much of your child support responsibilities are met directly through looking after your children.

### Meeting the costs of your children through direct care

The nights per year the children spend with you	Equal to these nights per fortnight	Words the Child Support Agency use to describe this level of care	The amount of child support that you meet directly through looking after your children
0-51 nights	1 night	'Below regular care'	None
52-127 nights	2-4 nights	'Regular care'	24%
128-175 nights	5-6 nights	'Shared care'	25% plus 2% for every percentage point over 35%
176-189 nights	7 nights		50%
190-237 nights	8-9 nights		51% plus 2% for every percentage point over 53%
238-313 nights	10-12 nights	'Primary care'	76%
314-365 nights	13-14 nights	'Above primary care'	100%

If you care for the children 52 nights or more each year, and are receiving a Centrelink benefit, you may not need to pay child support. This is because you are meeting your share of the children's costs by looking after them.

If you change the amount of time you care for the children, your child support may also change. This is because your share of the children's costs may vary depending on how much time you look after them.

You must tell the Child Support Agency as soon as your childcare arrangements change. If the Child Support Agency makes a decision that you disagree with, get legal advice quickly. Legal Aid or a community legal centre can help.

## What sorts of things affect my Family Tax Benefit Part A?

You can only receive Family Tax Benefit Part A if you care for the children at least 35% of the time. You will usually have to satisfy Centrelink that you have applied for a child support assessment from the other parent to receive Family Tax Benefit Part A. You may not have to if special circumstances apply. Speak to your Centrelink social worker about this.

Parents who receive Family Tax benefit Part A (at more than the base rate) are required by Centrelink to apply for a child support assessment.

### Child care levels and Family Tax Benefit Part A

Centrelink will calculate how much time you spend with the children. They will calculate your Family Tax Benefit Part A based on this. Centrelink takes into account the amount of time you spend with the children, including daytimes as well as nights.

### Income levels and Family Tax Benefit Part A

Family Tax Benefit Part A is affected by your yearly household income (including your new partners' income) and your child support payments for each child.

### Collection arrangements and Family Tax Benefit Part A – formula assessments

If you have a child support formula assessment and your child support payments are paid:

- on time, and
- in full

your Family Tax Benefit Part A will usually be based on the same amount of child support each fortnight.

If the Child Support Agency collects your payments and:

- your child support payments are not regular, or
- are less than they should be

you can ask to have your Family Tax Benefit Part A calculated according to the actual child support payments that you receive. Your Family Tax Benefit Part A payments will go up and down depending on how much child support you receive. If you later receive a lump sum of child support owed to you, you may have to pay some of the Family Tax Benefit Part A back. Talk to Centrelink about which method may be best for you.

If you transfer your child support privately, Centrelink will pay your Family Tax Benefit Part A as if you are receiving the amount you would receive under the assessment. If you agree to accept less child support than the amount you are entitled to in the assessment, your Family Tax Benefit Part A will not change.

### Family Tax Benefit Part A – child support agreements

#### - Child support agreements registered before 1 July 2008

Your Family Tax Benefit Part A will be worked out using the amount of child support in your agreement.

#### - Child support agreements registered after 1 July 2008

Your Family Tax Benefit Part A will be based on the amount of child support that would have been payable under a formula assessment.

### Your other family and Family Tax Benefit

Family Tax Benefit Part A is calculated separately for each child, taking into account household income and any child support received for each child. This means that you may be paid Family Tax Benefit Part A at a different rate for individual children in your care. This area is complicated. Talk to Centrelink for more information.

## Where to get help

For information on how to arrange child support and make care arrangements for the children, see the Legal Aid factsheet 'Organising child support and care arrangements for your children'.

### Contact details:

#### Legal Aid NSW Child Support Service

You need to make an appointment in advance by telephoning 9633 9916 for the Sydney metropolitan area or freecall 1800 451 784 for country callers.

For legal information visit [www.legalaid.nsw.gov.au](http://www.legalaid.nsw.gov.au)

#### LawAccess NSW

A free telephone service that provides legal help.

Call 1300 888 529 or visit [www.lawaccess.nsw.gov.au](http://www.lawaccess.nsw.gov.au)

#### Community Legal Centres

Call LawAccess NSW for your nearest centre on 1300 888 529 or visit [www.nswclc.org.au](http://www.nswclc.org.au)

#### Child Support Agency

Tel: 131 272

#### Centrelink

Tel: 136 150 from 8.00 am to 8.00 pm, Mon – Fri  
133 677 Relay (deaf and hearing impaired)

#### Family Assistance Office

Tel: 136 150

#### Family Relationship Advice Line

Tel: 1800 050 321

#### Financial Counsellors' Association Credit and Debit Hotline

Tel: 1800 808 488

#### NSW Domestic Violence Line

Tel: 1800 656 463

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