

Centrelink payments – a quick guide for workers

Many Australians and permanent residents are eligible for income support from Centrelink – but there are so many different payments, and each one has different conditions! In order to empower clients to understand their payments and build financial resilience, it is important to refer to Centrelink payments by their correct names. It will be easier for clients to self-advocate with Centrelink and other government departments and services if they can present specific and factual information about their income and entitlements.

In an attempt to make this document as useful as possible, the payments are grouped as follows:

- **Payments for older Australians**
- **Payments for families**
- **Payments for people with disabilities and their carers**
- **Payments for jobseekers and students**
- **Other payments**

Centrelink payments are adjusted in line with the Consumer Price Index (CPI) at least once a year. To find out current maximum rates for each payment, visit servicesaustralia.gov.au. Individual payments vary and clients may not always be eligible for the maximum rate.

Age Pension (AGE)*

A fortnightly pension payment for people over the age of 66. Maximum payment rate varies depending on whether the person is single, a member of a couple, or partnered but separated from their partner due to illness (partner is living in a nursing home or other long term healthcare setting). Income from work or investments, including superannuation, may reduce the amount of pension payable. Age Pensioners are able to continue receiving fortnightly payments if they travel or live overseas.

Parenting Payment (PPP or PPS)*

A fortnightly payment for the main carer of a young child. If parenting responsibilities are shared, only one parent can claim parenting payment for the child, usually the person with >50% percentage of care.

- One member of a couple can claim **Parenting Payment Partnered** up until the youngest child turns 6 years of age. A parent is considered partnered if they are in a marriage-like relationship with another person (married, de facto or registered relationship) regardless of whether the partner is the parent of the child.
- For single parents, **Parenting Payment Single** is payable up until the youngest child turns 8 years of age. Mutual obligation requirements, such as training, volunteering or looking for work apply once the child turns 6 years of age.

Both types of parenting payment are subject to income and asset tests.

Family Tax Benefit (FTB)

Most Kyabra clients with children will be eligible for Family Tax Benefit parts A and B. Family Tax Benefit is payable for children from birth up until they turn 16 years of age. Family Tax Benefit is also payable for children between the ages of 16-19 studying full time at high school, so long as the child is not claiming their own income support payment (Youth Allowance or Abstudy).

- **Part A** is a variable, per child rate depending on the age of the child and the family's income, including any child support received.
- **Part B** is a per-family rate payable to single parents, non-parent carers (e.g. foster and kinship carers) and single-income couples earning under \$100000/year.

Family Tax Benefit rates are based on an estimate of family income, provided before the start of the financial year. If a family's relationship, income or assets change during the year it is important to provide Centrelink with details to ensure the correct payment is received. Separated parents must have a child support assessment in place otherwise their Family Tax Benefit will be reduced to the base rate (Centrelink Social Workers can grant an exemption to this in certain circumstances including domestic violence). A supplement payment is paid at the end of the year and may be used to offset any overpayments received during the year.

New Zealand citizens may be eligible for Family Tax Benefit even if they are ineligible for other Centrelink payments. Family Tax Benefit is only payable for up to 6 weeks if either the parent or child travels outside Australia.

Newborn Upfront Payment and Supplement

A short term payment for parents who are eligible for Family Tax Benefit Part A and either have a baby or take on long term care (>3 months) of a child under the age of 1 year (e.g. foster care) but *do not claim* Parental Leave Pay. The Newborn Upfront Payment is paid as a lump sum after the child is born, while the Newborn Supplement is an additional amount paid with Family Tax Benefit for a period of up to 13 weeks.

Parental Leave Pay*

A payment for up to 18 weeks for the primary carer of a newborn or newly adopted child. To be eligible for Parental Leave Pay, the parent (usually the birth mother) must have been employed, incl self employed, for at least 10 of the 13 months prior to the child's birth or adoption but have earned <\$150000. Parental Leave Pay is higher than the Newborn Upfront Payment and Supplement. Parental Leave Pay is government funded but usually paid to a parent via their employer.

Child Care Subsidy (CCS)

A subsidy paid directly to child care providers, incl long day care, occasional care, family day care and outside school hours care to offset the costs of child care. Payment rates vary depending on family income, age of child and how many hours the parent/s or carer/s spend working, studying, volunteering, looking for work or caring for another person. **Additional Child Care Subsidy** may also be available for children who are at risk or families experiencing financial hardship.

Disability Support Pension (DSP)^

A fortnightly pension payment for people with long term disability or medical conditions that reduces capacity to work. Generally, the disability or medical condition must be fully diagnosed, treated and stabilized, and expected to last more than 2 years. Medical reports are required to substantiate claims for Disability Support Pension. Maximum payment rate varies depending on whether the person is single or a member of a couple. Income from work or investments may reduce the amount of pension payable. People under the age of 21 with a disability are paid a lower rate of Disability Support Pension, which varies depending on their circumstances including age, whether they are partnered and whether they are considered dependent on their parent/s.

People diagnosed with a terminal illness with a life expectancy of less than 2 years are able to apply for a Disability Support Pension without the need to be fully treated and stabilized. A special application form is available for people with terminal illness and medical reports are also required.

Carer Payment[^]

A fortnightly pension payment for people who provide care for an adult or child with a severe disability, chronic illness or who is frail aged, and who will require care for at least 6 months. There are different rules for care recipients under the age of 16 and those over the age of 16. Medical reports are required to substantiate the care recipients' need for care. Maximum payment rate varies depending on whether the carer is single or a member of a couple. Income from work or investments of both the carer and care recipient may reduce the amount of pension payable. People receiving Carer Payment can work, study or volunteer no more than 25 hours/week as their primary role must be carer. People on Carer Payment are usually also eligible for Carer Allowance.

Carer Allowance

A fortnightly supplement payment for people who provide care for an adult or child with a severe disability, chronic illness or who is frail aged, and who will require care for at least 12 months. A carer may receive more than one carer allowance if they provide care for multiple people. Carers can be eligible for Carer Allowance without meeting the eligibility criteria for Carer Payment.

JobSeeker Payment (JSP)*

A fortnightly payment for people aged between 22 and 66 years who are looking for work or unable to work due to a temporary illness or injury. Previously paid as Newstart and Sickness Allowances. New applicants are subject to a waiting period depending on their circumstances immediately prior to claiming, and their assets. Maximum payment rate varies depending on whether the person is single, member of a couple, has dependent child/ren or is over the age of 60. Income from work may reduce the amount of JobSeeker payment.

People on JobSeeker Payment are required to participate in **mutual obligation** activities in order to continue receiving their payment such as looking for work, attending appointments, training, volunteering or part time work. Failure to comply with these requirements may result in a suspension of payments, unless an exemption has been granted. JobSeeker payment cannot be paid to a person if they travel outside of Australia.

Youth Allowance (YAL)

A fortnightly payment for full time students and apprentices under the age of 25 and job seekers under the age of 21. People studying part time may claim the jobseeker rate of Youth Allowance if they are also looking for work. Participation in **mutual obligation** activities is required, similar to those required for people on JobSeeker Payment. Income from work may reduce the amount of Youth Allowance.

People aged under 21 are usually considered dependent on their parents, which means that the parents' or guardians' income may affect how much Youth Allowance is payable. This is in addition to a personal income test.

High school students can't usually get Youth Allowance unless they are over the age of 18, eligible for the away from home rate of Youth Allowance or are considered to be independent of their parents.

Austudy*

A fortnightly payment for full time students and apprentices over the age of 25. Students must be studying an approved course, or doing a full time apprenticeship or traineeship that is registered with the Australian Apprenticeship Scheme. Austudy is subject to an income and assets test.

Abstudy

A group of payments for Aboriginal or Torres Strait Islander students or apprentices.

- **Living Allowance*** is a fortnightly payment for students over the age of 16 who are studying full time in school or tertiary education (including Masters and Doctoral courses) or who are doing a full time apprenticeship or traineeship that is registered with the Australian Apprenticeship Scheme. The amount paid depends on the person's age, level of study, living arrangements, income and assets.
- **School Fees Allowance** is an annual payment made to the school or parents of students aged under 16 years to assist with the costs of tuition fees, facility fees, resource hire and subject fees.
- **Fares Allowance** is for full time students who have to live away from home to study. The amount payable depends the cost of the travel.

Pensioner Education Supplement (PES)

A fortnightly supplement payment for people on Carer Payment, Disability Support Pension, Parenting Payment Single or a single carer on JobSeeker Payment, Special Benefit or Youth Allowance who are also studying an approved course at an approved institution. There are two rates of Pensioner Education Supplement; one for full time students and one for part time students.

Rent Assistance

A fortnightly payment for people who receive a Centrelink income support payment or Family Tax Benefit at more than the base rate and who pay rent, board or lodgings, including site fees in a caravan park. Rent assistance is usually only paid to one member of a couple and is not paid to people living in public housing. Payment rate depends on the amount of rent paid and living arrangements, including whether partnered, with dependent children or in share accommodation. Special rules apply to Rent Assistance for young people, under the age of 25, depending on which payment they are on and their living arrangements.

Special Benefit*

A fortnightly payment for people who are in severe financial hardship but not eligible for other income support payments from Centrelink. Special Benefit is paid at the same rate as JobSeeker Payment or Youth Allowance. At Kyabra we see this most commonly paid to people on temporary visas or newly arrived migrants.

Annual Supplement payments

Lump sum supplement payments of are made in July each year to people on Carer Payment, Carer Allowance, a youth rate of Disability Support Pension (under the age of 21), Family Tax Benefit or to parents of children under the age of 16 with a disability. Supplements do not need to be applied for; they will be paid automatically to eligible people based on information already held by Centrelink.

* These payments are taxable.

^ These payments are taxable if the person with a disability or the carer is of Age Pension age.

People who are not Australian citizens, including newly arrived permanent residents, New Zealand citizens and most temporary visa holders are not eligible for income support from Centrelink. This is in line with immigration law and a condition of their visa



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