



Fact Sheet – Social Security Benefits for Families

Aren't social security benefits only for the retired or unemployed?

There are a range of social security benefits and rebates that may be available to families. Even high income earning families may qualify for some form of assistance, so it is important that the full range of benefits are explored to see if they are obtainable. Some of the benefits available include:

1. Maternity Payment
2. Maternity Immunisation Allowance
3. Family Tax Benefit

What is the Maternity Payment and how is it accessed?

Treasurer Peter Costello's infamous quote of having 'one for your husband and one for your wife and one for the country' placed the maternity payment firmly in the spotlight. And with the high cost of raising children at the forefront of the minds of many parents-to-be, most are probably aware of this benefit. What may not be known is that the payment is available in a range of circumstances and not just to parents of healthy newborns.

Maternity payment (renamed Baby Bonus) of \$4,133 per child from 1 July 2007 or \$5,000 from 1 July 2008 is payable:

- Following the adoption of a child under 2 years of age
- To people caring for a newborn within 13 weeks of the birth that are likely to continue to care for the child for no less than 13 weeks.
- Where there is a stillbirth, or
- Where a child has died shortly after birth

There are two ways that you can make a claim for Baby Bonus. Forms are generally provided by the hospital however you can make an online claim or fill in a claim form. See [Centrelink](#) for more details. **Remember to make the claim within 26 weeks of birth or adoption.**

Can new parents also receive the maternity immunisation allowance?

Yes. This benefit is paid to encourage parents to immunise their children. It is another one-off, non-means tested, non-taxable lump sum payment of \$229.70 (from 1 July 2007). The benefit is paid for children aged 18-24 months after a child is fully immunised or is on an immunisation catch up schedule. **The allowance must be paid claimed before the child turns two.** See [Centrelink](#) for more details.

Who can receive Family Tax Benefits: part A and B?

Family Tax Benefits (Part A and B) are the most common form of assistance to help with the cost of raising children. While they are mainly targeted at sole parents and lower income earning families, higher income earners may also qualify for some benefit.

Family Tax Benefit Part A (FTB-A)

Maximum rates of FTB-A range from \$1,900 to \$5,600 per child per year. Calculating how much FTB-A a family will be entitled to can be tricky as the benefit is based on the following three factors:

- Combined family income
- The number of dependent children, and
- The ages of the children

Families earning \$40,000 or less a year will qualify for the full benefits. For those earning more, the payment reduces by 20 cents for every dollar above \$40,000 until it reaches the FTB-A base rate, at which point it starts to reduce by 30 cents for every dollar over that amount until the payment reaches nil. See [Centrelink](#) for more details.

Family Tax Benefit Part B (FTB-B)

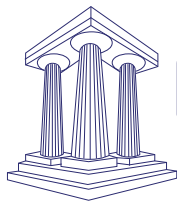
FTB-B is lower than FTB-A, however higher income families with a stay-at-home parent are more likely to qualify for this benefit because FTB-B disregards the income of the primary income earner. There is no income test for single parents.

For two parent families, the secondary income earner can earn up to \$4,380 before the level of the FTB-A is affected. FTB-B cuts out when income earned reaches \$22,302 if the youngest child is under age 5 or \$17,356 if the youngest child is between 5 and 18 years. See [Centrelink](#) for more details.

Investments are often placed in the name of the lower income earner for tax purposes, however, such strategies should be considered for their impact on the level of FTB-B received.

What are the Family Tax Benefit payment options?

You can choose to receive the payments Family Tax Benefit payments fortnightly, part-fortnightly/part lump sum, annual lump sum or part of a tax return at the end of the financial year. **If you can afford not to receive the payment throughout the year choosing the lump sum as part of your tax return can be a great way to save - as long as you have the discipline to save it and not spend it.**



Cornerstone Wealth

Financial Advice Based on Solid Foundations

Cornerstone Wealth

Level 9, 501 La Trobe Street
Melbourne Victoria 3000

Telephone 03 9642 2268

Facsimile 03 9670 4704

E-mail info@cornerstonewealth.com.au

Website www.cornerstonewealth.com.au



Corporate Authorised Representative

No 306473

Partnership Financial Services Pty Ltd

AFS Licence No 220381

ABN 90 009 015 874

Level 28 Central Park

152-158 St Georges Terrace

Perth WA 6000