

Centrelink (via the Department of Human Services) is the government agency that helps to deliver services, support and financial assistance to those in need, for 10 Australian governmental departments under one roof.

It distributes billions of dollars in social security payments on behalf of those 10 government departments. Nearly seven million Australians use [Centrelink's services](#).

Among other services, Centrelink provides *financial* support through the distribution of allowances, rebates, offsets and even bonuses for Australians – from families, to carers, pensioners and veterans, the unemployed and students.

This system of financial social support is one of the reasons Australians (and some foreigners temporarily in Australia) pay tax. Aside from the funding of public amenities, a proportion of income tax go toward the social services listed below, which you can find out more about by clicking on the links.

#### [Family allowances](#)

Covers family tax benefits A and B, the consolidated dependant offset, beneficiary offset.

#### [Childcare rebates](#)

Covers the Newborn Upfront Payment, Newborn Supplement and childcare benefits.

#### [Health](#)

Medicare, the private health insurance rebate and the medical expenses offset

#### [Education](#)

Designed to cover primary and secondary school children

#### [Mature workers allowances](#)

Covers the seniors tax offset and the mature age workers offset.

### [Pensioners' tax offset](#)

Offsets for pensioners

### [Low-income earners](#)

Help for Australians with a low income

### [First home savers](#)

Bank accounts with incentives for first home buyers by way of government contributions and lower taxes.

### [Defence force rebates](#)

For people serving with the Australian Defence Force or UN

### [Environmental offsets](#)

Designed to encourage the introduction of green techniques into Australian households

### [Remote area offsets](#)

Offsets for living in remote parts of Australia

### [Housekeeper offsets](#)

Offsets for people who employ a housekeeper.

These benefits aren't entirely tax-free handouts, though. However, if you receive one (or more) of a number of allowances, benefits or social security payments from Centrelink, you can reduce the amount of tax you need to pay through the [beneficiary tax offset](#).

## **Family allowances**

Having a family can be an expensive lifestyle – and making ends meet can become a challenge for families with bills to pay, children's education to fund and extended family members to look after. There are special rebates available for families who need that extra helping hand – [from the family tax benefit Part A](#) – paid per child based on family income for the financial year; [and Part B](#) – which gives extra assistance to sole parents and families with one main income source.

There are also offsets available for taxpayers who find themselves [looking after invalid relatives or parents](#); as well as offsets for [taxpayers with a dependent](#).

Additionally, taxpayers who receive one (or more) of a number of allowances, benefits or social security payments (generally they are taxable benefits) can reduce their tax through the [beneficiary tax offset](#).

Find out more about family allowances by navigating through the links above, or in the menu on the left.

**Note: Eight dependency tax offsets were consolidated into one from the 2012-13 income year end.**

From the 2012-13 income year, the government consolidated eight dependency tax offsets into a single, streamlined and non-refundable tax offset. The tax offsets consolidated were::

1. Invalid spouse tax offset
2. Carer spouse tax offset
3. Housekeeper tax offset
4. Housekeeper (with child) tax offset
5. Child-housekeeper tax offset

6. Child-housekeeper (with child) tax offset

7. Invalid relative tax offset

8. Parent/parent-in-law tax offsets.

The new [consolidated tax offset](#) is only available to taxpayers who maintain a dependant who is genuinely unable to work due to carer obligation or disability, and will be based on the highest rate of the existing tax offsets it replaces. Taxpayers who were currently eligible to claim more than one tax offset amount in respect of multiple dependants who are genuinely unable to work will still be able to do so.

## **Family tax benefits A & B**

### **[Payments and eligibility](#) | [Who gets part B?](#)**

One basic benefit that many parents can access to help make ends meet is the family tax benefit. If you have one or more dependent children, you can probably get the benefit to help with the cost of raising children – if you don't earn too much.

This benefit is administered by the [Department of Human Services](#).

### **Payments and eligibility**

The amounts available cover a wide range – from \$56 to more than \$230 a fortnight – depending on your income, but it is also influenced by the number of children you have. See Human Services for [payment specifics](#).

*NOTE: From 1 July 2014, the length of time you can be paid Family Tax Benefit while temporarily outside Australia will reduce from 3 years to 56 weeks.*

Family tax benefit (FTB) is divided into two parts – part A and part B (more on part B below) – and is either paid fortnightly or as a lump sum at the end of the financial year. The general available rate (for part A) is:

- \$176.82 per fortnight for a child under 13

- \$230.02 for a child aged 13 to 19
- \$56.70 up to 19 in an approved care organisation.

For part A, if your family's adjusted taxable income for the financial year is \$50,151 or less, your payment will not be affected by the income test.

In most cases, your FTB Part A payment is worked out using two income tests. Human Services will apply the test that gives you the highest rate of payment. The first test reduces the maximum rate of FTB Part A by 20 cents for each dollar above \$50,151 until your payment reaches the base rate of Part A. The second test reduces the base rate of Part A by 30 cents for each dollar above \$94,316 (plus \$3,796 for each FTB child after the first) until your payment reaches nil.

If your family income is close to the maximum cut-off, you should check your eligibility after the end of the financial year, once your actual income is known.

Your payments will stop when your child reaches a certain age and study level. If your child is aged 16–19 years, and

- they complete Year 12 or an equivalent qualification before November, payments will stop 28 days after they have completed school
- they complete Year 12 or an equivalent qualification in November or December, payments will stop on 31 December, or
- they are 19 years old and still in full-time secondary study, payments will stop on 31 December

If you are eligible for Family Tax Benefit Part A for a child who is born or adopted on or after March 1, 2014, you may also be eligible for the [Newborn Upfront Payment and Newborn Supplement](#). Newborn Supplement is a component of Family Tax Benefit Part A, paid over a three month period with your regular fortnightly Family Tax Benefit Part A payment.

Children need to be "fully immunised", be on a recognised immunisation catch up schedule, or have an approved exemption to be eligible for the [Family Tax Benefit Part A supplement](#) for that period.

Part A is the more common FTB payment, and is paid per child based on "actual annual family income" for the financial year. Part B gives extra assistance to sole parents and families with one main income source, but that income is limited to \$150,000 a year. You could view part A as being paid per child, and part B as being paid per family.

Actual annual family income, by the way, is you and your partner's combined taxable income (that is, assessable income less eligible deductions) plus certain amounts which don't go into taxable income, being:

- reportable [fringe benefits](#) received
- reportable superannuation [contributions](#)
- net losses from rental property or investments
- tax-free pensions or benefits received
- foreign income that is not taxable in Australia, and
- minus any child support you or your partner pay.

You can get both parts, or one or the other, depending where your circumstances place you. The basic eligibility is that you are an Australian resident and that you have at least one dependent child aged (for part A) up to 19 and (for part B) aged up to 15 or to age 18 for a student. Part A is also available to guardians who have children under their full-time care.

### **Who gets part B?**

The FTB Part B is paid to sole parents or couples who have one main income and where one parent stays at home or balances some paid work with caring for the children. The rate for Part B is \$150.36 for a child under five, and \$105.00 from five to age 18.

Sole parents earning less than \$150,000 can get part B (this income level is not indexed). For couples the primary earner's income has to be less than \$150,000, and the lower earner's income can go up to \$5,329 before it starts to reduce the Part B benefit (by 20 cents per dollar over this figure).

There is also a boost in place to the base annual rate of part B, called a 'supplement' by the Family Assistance Office, of \$354.05 a year which is paid after your income tax is lodged.

If you are the secondary earner and your partner earns \$150,000 or less, you can still get some part B if your income is below:

- \$27,065 a year if your youngest child is under 5 years of age, or
- \$21,043 a year if your youngest child is between 5-18 years of age.