Social Security Legislation Amendment (Family Measures) Act 1995

No. 106 of 1995

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No. 106 of 1995

An Act to amend legislation administered by the Minister for Social Security, and for related purposes

[Assented to 29 September 1995]

The Parliament of Australia enacts:

Short title

1. This Act may be cited as the *Social Security Legislation Amendment (Family Measures) Act 1995*.

Commencement

2.(1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.

(2) Schedules 1, 5 and 6 commence on 1 February 1996.

(3) Schedules 2, 3, 4, 7, 8 and 9 commence on 1 January 1996.

Amendments

3.(1) The *Social Security Act 1991* is amended as set out in Schedules 1, 2, 3 and 4.

(2) The *Data-matching Program (Assistance and Tax) Act 1990* is amended as set out in Schedule 5.

(3) The *Income Tax Assessment Act 1936* is amended as set out in Schedule 6.

(4) The *Veterans' Entitlements Act 1986* is amended as set out in Schedule 7.

(5) The *Child Support (Assessment) Act 1989* is amended as set out in Schedule 8.

(6) The *Health Insurance Act 1973* is amended as set out in Schedule 9.

(7) The *Social Security (Non-Budget Measures) Legislation Amendment Act 1995* is amended as set out in Schedule 10.

SCHEDULE 1   Subsection 3(1)

AMENDMENT OF THE SOCIAL SECURITY ACT 1991 IN RELATION TO MATERNITY ALLOWANCE

1. After Part 2.17:
Insert:
"PART 2.17A—MATERNITY ALLOWANCE

"Division 1—Interpretation

Definitions
"900A. In this Part, unless the contrary intention appears:
child includes:
   (a) a stillborn child; and
   (b) a child who was born alive but died before the first family payment payday after the date of his or her birth.
stillborn child means a child:
   (a) who weighs at least 400 grams at delivery or whose period of gestation was at least 20 weeks; and
   (b) who has not breathed since delivery; and
   (c) whose heart has not beaten since delivery.

"Division 2—Qualification for maternity allowance

Qualification
"900B.(1) A person is qualified for maternity allowance in respect of a child if, and only if, the applicable requirements of this section are satisfied.

"(2) The first requirement is that the child is born on or after 1 February 1996.

"(3) The second requirement, which applies only if the child is entrusted to the care of the person or the person's partner within 13 weeks after the date of the child's birth, is that the child continues, or is likely to continue, in that care for not less than 13 weeks.

"(4) The third requirement, which applies only if the child is not a child referred to in paragraph (a) or (b) of the definition of *child* in section 900A, is that the person is qualified for family payment in respect of the child on any payday that occurs within 13 weeks after the date of the child's birth.

"(5) The fourth requirement, which applies only if the child is a child referred to in paragraph (a) or (b) of the definition of *child* in section 900A, is that, had the child not been a child referred to in either of those paragraphs,

the person would have been qualified for family payment in respect of the child on any payday that occurs within 13 weeks after the date of the child's birth.

Note: For *family payment* see Part 2.17.

Approved care organisation not qualified for maternity allowance

"900C. An approved care organisation is not qualified for maternity allowance.

Note: For *approved care organisation* see subsection 6(1).

Provision of person's tax file number

"900D.(1) Maternity allowance is not payable to a person unless:

(a) the person has given the Secretary a written statement of the person's tax file number; or

(b) the person has given the Secretary a declaration by the person in a form approved by the Secretary and satisfied either subsection (2) or (3).

"(2) The person satisfies this subsection if:

(a) the person's declaration states that the person:

    (i) has a tax file number but does not know what it is; and

    (ii) has asked the Commissioner of Taxation to inform the person of the person's tax file number; and

(b) the person has given the Secretary a document by the person that authorises the Commissioner of Taxation to tell the Secretary:

    (i) whether the person has a tax file number; and

    (ii) if the person has a tax file number—the tax file number; and

(c) the Commissioner of Taxation has not told the Secretary that the person has no tax file number.

"(3) The person satisfies this subsection if:

(a) the person's declaration states that the person has applied for a tax file number; and

(b) the person has given the Secretary a document by the person that authorises the Commissioner of Taxation to tell the Secretary:

    (i) if a tax file number is issued to the person—the tax file number; or

    (ii) if the application is refused—that the application has been refused; or

    (iii) if the application is withdrawn—that the application has been withdrawn; and

SCHEDULE 1—continued

(c) the Commissioner of Taxation has not told the Secretary that the person has not applied for a tax file number; and

(d) the Commissioner of Taxation has not told the Secretary that an application by the person for a tax file number has been refused; and

(e) the application for a tax file number has not been withdrawn.

Provision of partner's tax file number

"900E.(1) Subject to subsection (4), maternity allowance is not payable to a person who is a member of a couple unless:

(a) the person has given the Secretary a written statement of the partner's tax file number; or

(b) the person has given the Secretary a declaration by the partner in a form approved by the Secretary and satisfied either subsection (2) or (3).

"(2) The person satisfies this subsection if:

(a) the partner's declaration states that the partner:

    (i) has a tax file number but does not know what it is; and

    (ii) has asked the Commissioner of Taxation to inform the partner of the partner's tax file number; and

(b) the person has given the Secretary a document by the partner that authorises the Commissioner of Taxation to tell the Secretary:

    (i) whether the partner has a tax file number; and

    (ii) if the partner has a tax file number—the tax file number; and

(c) the Commissioner of Taxation has not told the Secretary that the partner has no tax file number.

"(3) The person satisfies this subsection if:

(a) the partner's declaration states that an application by the partner for a tax file number is pending; and

(b) the person has given the Secretary a document by the partner that authorises the Commissioner of Taxation to tell the Secretary:

    (i) if a tax file number is issued to the partner—the tax file number; or

    (ii) if the application is refused—that the application has been refused; or

    (iii) if the application is withdrawn—that the application has been withdrawn; and

(c) the Commissioner of Taxation has not told the Secretary that an application by the partner for a tax file number has been refused; and

(d) the application for a tax file number has not been withdrawn.

SCHEDULE 1—continued

"(4) The Secretary may waive the request for a statement of the partner's tax file number if the Secretary is satisfied that:
(a) the person does not know the partner's tax file number; and
(b) the person can obtain none of the following from the partner:
  (i) the partner's tax file number;
  (ii) a statement of the partner's tax file number;
  (iii) a declaration by the partner under paragraph (1)(b).

"Division 3—Payability of maternity allowance

Amount of maternity allowance

"900F.(1) The amount of maternity allowance in respect of a child is 3 times the amount stated in column 3 of item 1 in Table C in point 1068A-C2 in Module C of the Parenting Allowance Rate Calculator in section 1068A.

"(2) The amount of maternity allowance is payable as a lump sum.

Maternity allowance not payable to more than one person

"900G.(1) Subject to this section, if a person is receiving family payment in respect of a child, maternity allowance is not payable to any other person in respect of the same child.

"(2) Maternity allowance is not payable to a person in respect of a child if another person has already received maternity allowance in respect of the child.

"(3) If:
(a) no-one is receiving family payment in respect of a child; and
(b) 2 or more people apply for maternity allowance in respect of the child; and
(c) the Secretary is satisfied that at least 2 of them are qualified for maternity allowance in respect of the child;
the Secretary is to make a declaration:
(d) stating which of them the Secretary is satisfied are qualified for maternity allowance in respect of the child; and
(e) naming one of them as the person to whom maternity allowance is payable in respect of the child.

"(4) If such a declaration is made, maternity allowance in respect of the child to which the declaration relates is not payable to any person who is not named in the declaration as mentioned in paragraph (3)(e).

"(5) The Secretary is to give notice of the declaration to each of the people involved.

SCHEDULE 1—continued

"Division 4—Claim for maternity allowance

Need for a claim

"900H.(1) A person who wants to be granted maternity allowance must make a proper claim for the allowance.

Note: For *proper claim* see section 900K (form), section 900L (manner of lodgment) and section 900M (inhabitant of Australia).

"(2) If:

(a) a claim for maternity allowance is made by or on behalf of a person; and

(b) at the time when the claim was made the claim could not be granted because the person was not qualified for maternity allowance;

then, subject to section 900J, the claim is taken not to have been made.

Early claims

"900J. If:

(a) a person lodges a claim for maternity allowance; and

(b) the person is not qualified for maternity allowance on the day on which the claim is lodged; and

(c) the person becomes qualified for maternity allowance during the period of 13 weeks that starts on the day immediately after that day;

subsection 900H(2) does not apply in relation to the claim.

Form of claim

"900K.(1) To be a proper claim, a claim must be made in writing and must be in accordance with a form approved by the Secretary.

"(2) A claim for maternity allowance may be made either as part of, or separately from, a claim for family payment.

Lodgment of claim

"900L.(1) To be a proper claim, a claim:

(a) must be lodged:

    (i) at an office of the Department; or

    (ii) at a place approved for the purpose by the Secretary; or

    (iii) with a person approved for the purpose by the Secretary; and

(b) must be so lodged within 26 weeks after the date of the child's birth.

"(2) Subject to subsection (3), a place or person approved under subsection (1) must be a place or person in Australia.

"(3) The Secretary may approve a place or person outside Australia under subsection (1) for the purpose of lodgment of claims made under an international agreement.

Note: For *international agreements* see Part 4.1.

Claimant must be inhabitant of Australia

"900M. A claim by a person is not a proper claim unless the person is an inhabitant of Australia on the day on which the claim is lodged.

Note: For *inhabitant of Australia* see subsection 23(1).

Claims may be withdrawn

"900N.(1) A claimant for maternity allowance or a person on behalf of a claimant may withdraw a claim that has not been determined.

"(2) A claim that is withdrawn is taken to have not been made.

"(3) A withdrawal may be made orally or in writing.

Claim to be made retrospective in certain circumstances

"900P. If:

(a) a person makes a claim (the *initial claim*) for:

    (i) a family payment, a child disability allowance or a double orphan pension; or

    (ii) a pension, allowance, benefit or other payment under another Act, or under a program administered by the Commonwealth, that is similar in character to a maternity allowance; and

(b) on the day on which the person makes the initial claim, the person is qualified for maternity allowance; and

(c) the person afterwards makes a claim for maternity allowance; and

(d) the Secretary is satisfied that it is reasonable for this section to apply to the person;

the person's claim for maternity allowance is taken to have been made on the day on which the person made the initial claim.

Secretary may request claimant to give statement of tax file number

"900Q. If a claimant for maternity allowance is in Australia, the Secretary may request but not compel the person:

(a) if the person has a tax file number—to give the Secretary a written statement of the person's tax file number; or

SCHEDULE 1—continued

(b) if the person does not have a tax file number:

(i) to apply to the Commissioner of Taxation for a tax file number; and

(ii) to give the Secretary a written statement of the person's tax file number after the Commissioner of Taxation has issued it.

Note: In some cases the request can be satisfied by giving the Secretary a declaration by the claimant about the person's tax file number and an authority by the person to the Commissioner of Taxation to give the Secretary certain information about the claimant's tax file number (see subsections 900D(2) and (3)).

Secretary may request claimant to give statement of partner's tax file number

"900R. If:

(a) a claimant for maternity allowance is a member of a couple; and

(b) the person's partner is in Australia;

the Secretary may request but not compel the person to give the Secretary a written statement of the tax file number of the person's partner.

Note 1: In some cases the request can be satisfied by giving the Secretary a declaration by the partner about the partner's tax file number and an authority by the partner to the Commissioner of Taxation to give the Secretary certain information about the partner's tax file number (see subsections 900E(2) and (3)).

Note 2: The Secretary may waive the request in some cases (see subsection 900E(4)).

"Division 5—Determination of claim

Secretary to determine claim

"900S. The Secretary must, in accordance with this Act, determine the claim.

Grant of claim

"900T. The Secretary is to determine that the claim is to be granted if the Secretary is satisfied that:

(a) the claimant is qualified for maternity allowance; and

(b) the allowance is payable.

"Division 6—Payment of maternity allowance

Payments to be paid to person or nominee

"900U.(1) Subject to subsection (3), a person's maternity allowance is to be paid to the person.

"(2) The Secretary may direct that the whole or a part of a person's maternity allowance is to be paid to someone else on behalf of the person.

"(3) If the Secretary gives a direction under subsection (2), the maternity allowance is to be paid in accordance with the direction.

Payment of maternity allowance after death

"900V.(1) If:

(a) maternity allowance is payable to a person; and

(b) the person dies; and

(c) at the date of the person's death the person had not received an amount of maternity allowance payable to him or her; and

(d) another person applies to receive the amount; and

(e) the application is made:

(i) within 26 weeks after the death; or

(ii) within a further period allowed by the Secretary in special circumstances;

the Secretary may pay the amount to the person who, in the Secretary's opinion, is best entitled to it.

"(2) If the Secretary pays an amount of maternity allowance under subsection (1), the Commonwealth has no further liability to anyone in respect of that amount of maternity allowance.

How payment to be made

"900W. A payment of maternity allowance is to be made in any manner that the Secretary determines.

"Division 7—Protection of maternity allowance

Maternity allowance to be absolutely inalienable

"900X.(1) Subject to subsections (2) and (3) and section 1359, maternity allowance is absolutely inalienable, whether by way of, or in consequence of, sale, assignment, charge, execution, bankruptcy or otherwise.

"(2) The Secretary may make a deduction from the maternity allowance payable to a person if the person asks the Secretary:

(a) to make the deduction; and

(b) to pay the amount to be deducted to the Commissioner of Taxation.

Note: The Secretary must make a deduction from the maternity allowance payable to a person if requested by the Commissioner of Taxation—see section 1359.

"(3) The Secretary may make a deduction from the maternity allowance payable to a person if the person consents under section 1234A to the making of the deduction.

Note: Section 1234A enables the Secretary to recover a debt from a person if the person is receiving a social security payment.

SCHEDULE 1—continued

Effect of garnishee or attachment order
    "900Y.(1) If:
    (a) a person has an account with a financial institution; and
    (b) a court order in the nature of a garnishee order comes into force in
        respect of the account; and
    (c) maternity allowance payable to the person (whether on the person's
        own behalf or not) has been paid to the credit of the account during
        the 4-week period immediately before the court order came into
        force;
the court order does not apply to the *saved amount* (if any) in the account.
    "(2) The saved amount is worked out as follows:

Method statement	
Step 1.	Work out the amount of maternity allowance paid to the credit of the account as mentioned in paragraph (1)(c).
Step 2.	Subtract from that amount the total amount withdrawn from the account during the 4-week period referred to in paragraph (1)(c): the result is the *saved amount.*

    "(3) This section applies to an account whether it is maintained by a
person:
    (a) alone; or
    (b) jointly with another person; or
    (c) in common with another person.
Note: A person affected by a garnishee order may have other saved amounts.".

2. Subsection 1223(1):
    Omit "subsection (2)", substitute "subsections (1A) and (2)".

3. After subsection 1223(1):
    Insert:
*Non-recovery of maternity allowance if lack of qualification results from
event or change in circumstances occurring after making of payment or from
incorrect estimate of income component made in good faith*
    "(1A) Subsection (1) does not apply in relation to a payment to a person
of maternity allowance for which the person was not qualified if the person's
lack of qualification for the allowance resulted from the person's not having
been qualified for family payment in respect of the child and either:
    (a) the person's lack of qualification for the family payment resulted
        from an event or change in circumstances that occurred after the
        payment of maternity allowance was made; or

SCHEDULE 1—continued

(b) the following subparagraphs apply:

   (i) the person's lack of qualification for the family payment resulted from the person's income for the relevant family payment period exceeding the person's income ceiling;

  (ii) that income was calculated on a basis that included an incorrect estimate made by the person of an income component under Module H of the Family Payment Rate Calculator in section 1069;

  (iii) at the time when the estimate was made the person did not know, and had no reason to suspect, that the estimate was incorrect.".

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SCHEDULE 2   Subsection 3(1)

AMENDMENT OF THE SOCIAL SECURITY ACT 1991 TO AMALGAMATE BASIC FAMILY PAYMENT AND ADDITIONAL FAMILY PAYMENT

1. Section 3 (Index of definitions):
  (a) Omit:
      "AFP child   6(1)".
  (b) Omit:
      "guardian allowance   23(1)",
      substitute:
      "guardian allowance   6(1)".
  (c) Insert in the appropriate alphabetical position determined on a letter-by-letter basis:

"large family supplement	6(1)
large family supplement calculation amount	6(1)
minimum family payment rate	6(1)
minimum FP child rate	6(1)
minimum standard family payment rate	6(1)
multiple birth allowance	6(1)
standard family payment rate	6(1)".

2. Subsection 6(1) (definitions of *AFP child, additional family payment, base rate* and *first child MBR*):
  Omit.
Note: The heading to section 6 is altered by omitting "*Payments*" and substituting "*Payment*".

3. Subsection 6(1):
  Insert:
"*guardian allowance* means an amount included in a person's family payment rate under Module F of the Family Payment Rate Calculator in section 1069.
large family supplement means an amount included in a person's family payment rate under Module C of the Family Payment Rate Calculator in section 1069.
large family supplement calculation amount means the amount stated in the formula in point 1069-C4 in Module C of the Family Payment Rate Calculator in section 1069.
minimum family payment rate, in relation to a person, means:
  (a) if no amount of large family supplement or multiple birth allowance is included in the person's family payment rate—the minimum standard family payment rate; or

(b) otherwise—the sum of:
   (i) the minimum standard family payment rate; and
   (ii) if an amount of large family supplement is included in the person's family payment rate—that large family supplement; and
   (iii) if an amount of multiple birth allowance is included in the person's family payment rate—that multiple birth allowance.

minimum FP child rate means the amount set out in the formula in point 1069-B6 in Module B of the Family Payment Rate Calculator in section 1069.

minimum standard family payment rate has the meaning given by point 1069-B6 in Module B of the Family Payment Rate Calculator in section 1069.

multiple birth allowance means an amount included in a person's family payment rate under Module D of the Family Payment Rate Calculator in section 1069.

standard family payment rate means the amount worked out under Table B in point 1069-B2 in Module B of the Family Payment Rate Calculator in section 1069.".

4. Subsection 6(2):
   Omit "maximum basic rate under Step 7 of the Method statement in Module A of", substitute "standard family payment rate under Step 1 of the Method statement in".

5. Subsection 6(3):
   Omit.

6. Subsection 20(1) (definition of *FP amount*):
   Omit.

7. Subsection 20(3):
   Omit.

8. Subsection 23(1) (definition of *guardian allowance*):
   Omit.

9. Subsection 831(1):
   Omit "subsections (2) and (3) and".

10. Subsections 831(2) and (3):
   Omit.

11. Paragraph 838(1)(d):
Omit "$550,000", substitute "$376,750".

12. Subsection 838(1) (Note 7):
Omit.

13. After subsection 838(1):
Insert:

"(1A) Paragraph (1)(d) does not apply to a person if a determination under subsection 1132A(1A), (1B) or (1C) is in force in relation to the person.".

14. Subsection 838(4):
Omit, substitute:

"(4) For the purposes of this section, a person's *income* for a particular family payment period is the sum of:
  (a) the person's taxable income for that period; and
  (b) the person's adjusted fringe benefits value for that period; and
  (c) the person's target foreign income for that period; and
  (d) the person's net rental property loss for that period.".

15. After paragraph 841(c):
Insert:
"(ca) the person's partner is receiving family payment for the same child (section 847A); or".

16. Subsection 843(1):
After "844" insert ", 844A".

17. After section 847:
Insert:

Family payment not payable to more than one member of a couple
"847A.(1) Subject to this section, if one member of a couple is receiving family payment in respect of a child, family payment is not payable to the other member of the couple in respect of the same child.

"(2) If:
  (a) the Secretary is satisfied that each of the members of a couple is qualified for family payment for the same child; and

SCHEDULE 2—continued

(b) each of them has made a claim for family payment (whether or not one of them is receiving family payment);

the Secretary is to make a declaration:

(c) stating that the Secretary is satisfied that each of them is qualified for family payment for the child; and

(d) naming one of them as the member of the couple to whom family payment is payable in respect of the child.

"(3) If such a declaration is made, family payment in respect of the child to which the declaration relates is not payable to the member of the couple who is not named in the declaration as mentioned in paragraph (2)(d).

"(4) The Secretary is to give notice of the declaration to each of the members of the couple involved.

"(5) In making the declaration, the Secretary must have regard to whether one member of the couple is the primary carer for the child.".

18. After paragraph 848(a):

Insert:

"(aa) the people are not members of the same couple; and".

Note: The heading to section 848 is altered by inserting "**who are not members of the same couple**" after "**2 people**".

19. Paragraph 860(c):

Omit, substitute:

"(c) the Secretary makes a determination in relation to the person under point 1069-H21 in Module H of the Family Payment Rate Calculator in section 1069; or".

20. Paragraph 860(ca):

Omit the Note appearing after the paragraph.

21. Paragraphs 860(d) and (e):

Omit "taxable".

22. Section 860:

Omit the Note at the end of the section.

23. Section 861:

Omit the Notes.

24. After section 861:

Insert in Division 5 of Part 2.17:

Family payment rate not to exceed minimum family payment rate if Secretary makes hardship determination

"861A. If the Secretary makes a determination in relation to a person under subsection 1132A(1B) or (1C), the rate of family payment payable to the person may not exceed the person's minimum family payment rate.".

25. Subparagraph 864A(1)(b)(ii):

Omit, substitute:

"(ii) the person's family payment rate is equal to or greater than the minimum FP child rate; and".

26. Subsection 864A(1):

(a) Omit Notes 2 and 3, substitute:

"Note 2: A person's family payment rate may fall below the person's minimum FP child rate if the Secretary has declared, under section 869, that 2 people are to share family payment for a child.".

(b) Omit from Note 4 "1069-B2A", substitute "1069-B3".

27. Subsection 864B(1):

Omit, substitute:

"(1) The amount of family payment advance payable to a person is the amount worked out using the formula:

$$\text{Number of paydays} \times \frac{\text{Minimum FP child rate}}{2}$$

where:

Number of paydays means the number of family payment paydays in the person's family payment advance period.

Note: For *family payment advance period* see subsections (2) to (5).".

28. Subsection 869(1):

After "2 people" (first occurring) insert "who are not members of the same couple".

Note: The heading to section 869 is altered by inserting "**who are not members of the same couple are**" after "2 people".

29. Subsection 869(2):

Omit "point 1069-C1", substitute "point 1069-D2".

30. Paragraph 884(a):

Omit, substitute:

"(a) in working out the rate of family payment payable to a person, regard is had to the person's income for a tax year; and

    (aa) the income to which regard was had included an amount of taxable income assessed by the Commissioner of Taxation; and".

31. Section 885:

Repeal, substitute:

Recalculation if income exceeds 110% of estimated amount

"885.(1) If:

    (a) in working out the rate of family payment payable to a person, regard is had to the person's income for a tax year; and

    (b) the income to which regard was had consisted of an amount estimated by the person; and

    (c) the person's income for that tax year is more than 110% of the amount of the income on which the determination of the rate of family payment was based;

the person's rate of family payment is to be recalculated on the basis of that income.

"(2) For the purposes of this section, a person's *income* for a particular tax year is the sum of:

    (a) the person's taxable income for that year; and

    (b) the person's adjusted fringe benefits value for that year; and

    (c) the person's target foreign income for that year; and

    (d) the person's net rental property loss for that year.

"(3) In this section:

adjusted fringe benefits value has the same meaning as in points 1069-H25 and 1069-H26 in Module H of the Family Payment Rate Calculator in section 1069.

Note 1: For *taxable income* see subsection 23(1).
Note 2: For *target foreign income* see subsection 10A(2).
Note 3: For *net rental property loss* see subsection 10A(15).".

32. Paragraph 886(c):

Omit.

33. Paragraph 886(d):

Omit "taxable income for that tax year exceeds 125%", substitute "income for that year exceeds 110%".

34. Subparagraph 886(d)(i):

Omit "taxable".

SCHEDULE 2—continued

35. Section 886 (Notes 3 and 4):
Omit, substitute:
"Note 3:   For *income free area*, see point 1069-H28.
Note 4:   For *base tax year*, see point 1069-H14.".

36. Paragraph 888(b):
Omit, substitute:
"(b) in working out the rate of family payment, regard is had to the person's income for a tax year; and
(ba) the income to which regard was had included an amount of taxable income assessed by the Commissioner; and".

37. Paragraph 890(b):
Omit, substitute:
"(b) in working out the rate of family payment, regard is had to the person's income for a tax year; and
(ba) the income to which regard was had included an amount of taxable income assessed by the Commissioner; and".

38. Paragraph 890(d):
Omit, substitute:
"(d) the income for that year (including the taxable income according to the assessment as amended) is more than 110% of the amount of the income on which the determination referred to in paragraph (a) was based; and".

39. Section 891:
Repeal, substitute:

Underestimate of income—date of effect of determination
"891. If:
(a) the Secretary makes a determination of a person's rate of family payment; and
(b) in making the determination, the Secretary had regard to the person's income for a tax year; and
(c) the income to which regard was had included an amount or amounts estimated by the person; and
(d) the person's income for the tax year is more than 110% of the amount of the income on which the determination referred to in paragraph (a) was based; and

SCHEDULE 2—continued

(e) the Secretary makes a determination varying the person's rate of family payment, or cancelling the person's family payment, to give effect to the recalculation required by section 885;

the later determination takes effect on the day on which the earlier determination took effect.".

40. Subparagraph 892(d)(i):

Omit, substitute:

"(i) the FP child rate per fortnight included in the person's family payment rate in respect of the child is, or except for a declaration made under section 869 would be, more than the minimum family payment rate; or".

41. Subparagraph 893(c)(i):

Omit, substitute:

"(i) the FP child rate per fortnight included in the person's family payment rate in respect of the child is, or except for a declaration made under section 869 would be, more than the minimum family payment rate; or".

42. Paragraphs 897(a) and (b):

Omit, substitute:

"(a) a person's family payment rate is, or except for a declaration made under section 869 would be, the minimum family payment rate; and

(b) the child in respect of whom the family payment is payable dies; and".

43. Paragraph 898(a):

Omit, substitute:

"(a) a person's family payment rate is, or except for a declaration made under section 869 would be, the minimum family payment rate; and".

44. Paragraph 1061P(1)(b):

Omit, substitute:

"(b) the rate per fortnight of the family payment that would be payable to the person if the family payment income test and the assets test did not apply to the person less the minimum family payment rate; and".

45. Paragraph 1061P(2)(b):

Omit, substitute:

"(b) the rate per fortnight of the family payment that would be payable to the person if the family payment income test and the assets test did not apply to the person less the minimum family payment rate; and".

46. Section 1064 (Pension Rate Calculator A, Module D, point 1064-D1):

Omit paragraph (f), substitute:

"(f) either of the following subparagraphs applies:

    (i) neither the person nor the person's partner has a dependent child who is an FP child;

    (ii) the person is a member of an illness separated couple, a respite care couple or a temporarily separated couple and is the partner of a person who is receiving family payment in respect of a dependent child who is an FP child.".

47. Section 1064 (Pension Rate Calculator A, Module H, point 1064-H2):

Omit "AFP child", substitute "FP child".

48. Section 1064 (Pension Rate Calculator A, Module H, point 1064-H2):

Omit from Note 2 "'AFP child'", substitute "*FP child*".

49. Section 1064 (Pension Rate Calculator A, Module H, point 1064-H4):

Omit "AFP child", substitute "FP child".

50. Section 1064 (Pension Rate Calculator A, Module H, point 1064-H5):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1064-H5 is altered by omitting "*AFP child*" and substituting "*FP child*".

51. Section 1064 (Pension Rate Calculator A, Module H, point 1064-H6):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1064-H6 is altered by omitting "*AFP child*" (wherever occurring) and substituting "*FP child*".

52. Section 1065 (Pension Rate Calculator B, Module E, point 1065-E2):

Omit "AFP child", substitute "FP child".

SCHEDULE 2—continued

53. Section 1065 (Pension Rate Calculator B, Module E, point 1065-E2):

Omit from Note 3 " 'AFP child' ", substitute "*FP child*".

54. Section 1065 (Pension Rate Calculator B, Module E, point 1065-E3):

Omit "AFP child", substitute "FP child".

55. Section 1065 (Pension Rate Calculator B, Module E, point 1065-E4):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1065-E4 is altered by omitting "*AFP child*" and substituting "*FP child*".

56. Section 1065 (Pension Rate Calculator B, Module E, point 1065-E5):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1065-E5 is altered by omitting "*AFP child*" (wherever occurring) and substituting "*FP child*".

57. Section 1066 (Pension Rate Calculator C, Module D, point 1066-D1):

Omit paragraph (e), substitute:

"(e) neither the person nor the person's partner has a dependent child who is an FP child.".

58. Section 1066 (Pension Rate Calculator C, Module H, point 1066-H2):

Omit "AFP child", substitute "FP child".

59. Section 1066 (Pension Rate Calculator C, Module H, point 1066-H2):

Omit from Note 2 " 'AFP child' ", substitute "*FP child*".

60. Section 1066 (Pension Rate Calculator C, Module H, point 1066-H3):

Omit "AFP child", substitute "FP child".

61. Section 1066 (Pension Rate Calculator C, Module H, point 1066-H4):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1066-H4 is altered by omitting "*AFP child*" and substituting "*FP child*".

SCHEDULE 2—continued

62. Section 1066 (Pension Rate Calculator C, Module H, point 1066-H5):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1066-H5 is altered by omitting *"AFP child"* (wherever occurring) and substituting *"FP child"*.

63. Section 1066A (Pension Rate Calculator D, Module EA, point 1066A-EA2):

Omit paragraph (h), substitute:

"(h) neither the person nor the person's partner has a dependent child who is an FP child.".

64. Section 1066A (Pension Rate Calculator D, Module EB, point 1066A-EB2):

Omit paragraph (i), substitute:

"(i) neither the person nor the person's partner has a dependent child who is an FP child.".

65. Section 1066A (Pension Rate Calculator D, Module I, point 1066A-I2):

Omit "AFP child", substitute "FP child".

66. Section 1066A (Pension Rate Calculator D, Module I, point 1066A-I2):

Omit from Note 2 " 'AFP child' ", substitute *"FP child"*.

67. Section 1066A (Pension Rate Calculator D, Module I, point 1066A-I4):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1066A-I4 is altered by omitting *"AFP child"* and substituting *"FP child"*.

68. Section 1066A (Pension Rate Calculator D, Module I, point 1066A-I5):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1066A-I5 is altered by omitting *"AFP child"* (wherever occurring) and substituting *"FP child"*.

69. Section 1066B (Pension Rate Calculator E, Module F, point 1066B-F2):

Omit "AFP child", substitute "FP child".

70. Section 1066B (Pension Rate Calculator E, Module F, point 1066B-F2):

Omit from Note 3 " 'AFP child' ", substitute *"FP child"*.

SCHEDULE 2—continued

71. Section 1066B (Pension Rate Calculator E, Module F, point 1066B-F3):

Omit "AFP child", substitute "FP child".

72. Section 1066B (Pension Rate Calculator E, Module F, point 1066B-F4):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1066B-F4 is altered by omitting "*AFP child*" and substituting "*FP child*".

73. Section 1066B (Pension Rate Calculator E, Module F, point 1066B-F5):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1066B-F5 is altered by omitting "*AFP child*" (wherever occurring) and substituting "*FP child*".

74. Section 1067 (Benefit Rate Calculator A, Module F, point 1067-F1):

Omit paragraph (h), substitute:

"(h) neither the person nor the person's partner has a dependent child who is an FP child.".

75. Section 1067 (Benefit Rate Calculator A, Module K, point 1067-K3):

Omit "AFP child", substitute "FP child".

76. Section 1067 (Benefit Rate Calculator A, Module K, point 1067-K3):

Omit from Note 3 " 'AFP child' ", substitute "*FP child*".

77. Section 1067 (Benefit Rate Calculator A, Module K, point 1067-K7):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1067-K7 is altered by omitting "*AFP child*" and substituting "*FP child*".

78. Section 1067 (Benefit Rate Calculator A, Module K, point 1067-K8):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1067-K8 is altered by omitting "*AFP child*" (wherever occurring) and substituting "*FP child*".

79. Section 1067E (Sickness Allowance Rate Calculator, Module D, point 1067E-D1):

Omit paragraph (f), substitute:

SCHEDULE 2—continued

"(f) neither the person nor the person's partner has a dependent child
who is an FP child.".

**80. Section 1067E (Sickness Allowance Rate Calculator, Module H,
point 1067E-H2):**
Omit "AFP child", substitute "FP child".

**81. Section 1067E (Sickness Allowance Rate Calculator, Module H,
point 1067E-H2):**
Omit from Note 2 " 'AFP child' ", substitute "*FP child*".

**82. Section 1067E (Sickness Allowance Rate Calculator, Module H,
point 1067E-H6):**
Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1067E-H6 is altered by omitting "*AFP child*" and substituting
"*FP child*".

**83. Section 1067E (Sickness Allowance Rate Calculator, Module H,
point 1067E-H7):**
Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1067E-H7 is altered by omitting "*AFP child*" (wherever occurring) and
substituting "*FP child*".

**84. Section 1068 (Benefit Rate Calculator B, Module F,
point 1068-F1):**
Omit paragraph (f), substitute:
"(f) neither the person nor the person's partner has a dependent child
who is an FP child.".

**85. Section 1068 (Benefit Rate Calculator B, Module J,
point 1068-J3):**
Omit "AFP child", substitute "FP child".

**86. Section 1068 (Benefit Rate Calculator B, Module J,
point 1068-J7):**
Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1068-J7 is altered by omitting "*AFP child*" and substituting "*FP child*".

**87. Section 1068 (Benefit Rate Calculator B, Module J,
point 1068-J8):**
Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1068-J8 is altered by omitting "*AFP child*" (wherever occurring) and
substituting "*FP child*".

SCHEDULE 2—continued

88. Section 1068A (Parenting Allowance Rate Calculator, Module F, point 1068A-F1):

Omit paragraph (g), substitute:

"(g) neither the person nor the person's partner has a dependent child who is an FP child.".

89. Section 1068A (Parenting Allowance Rate Calculator, Module G, point 1068A-G3):

Omit "AFP child", substitute "FP child".

90. Section 1068A (Parenting Allowance Rate Calculator, Module G, point 1068A-G7):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1068A-G7 is altered by omitting *"AFP child"* and substituting *"FP child"*.

91. Section 1068A (Parenting Allowance Rate Calculator, Module G, point 1068A-G8):

Omit "AFP child" (wherever occurring), substitute "FP child".

Note: The heading to point 1068A-G8 is altered by omitting *"AFP child"* (wherever occurring) and substituting *"FP child"*.

92. Paragraph 1111(a):

Omit "family allowance supplement or additional".

93. Subsection 1112(2):

Omit.

Note: The heading to section 1112 is amended by omitting "**and family allowance supplement**".

94. Paragraph 1127(a):

Omit ", family allowance supplement or additional family payment", substitute "or family payment".

95. Subsections 1128(2) and (3):

Omit.

96. Subsection 1132A(1):

Omit, substitute:

"(1) If:

(a) the application of paragraph 838(1)(d) would disqualify a person for family payment; and

SCHEDULE 2—continued

(b) the person lodges with the Department, in a form approved by the Secretary, a request that paragraph 838(1)(d) not apply to the person; and

(c) the request includes a statement signed by the person estimating the person's income for the current financial year; and

(d) the Secretary is satisfied that the estimate is reasonable;

the following provisions of this section have effect.

"(1A) The Secretary may determine that paragraph 838(1)(d) does not apply to the person if:

(a) the value of the person's assets is more than $376,750 and not more than $559,250; and

(b) the value of the person's liquid assets is less than the liquid assets limit; and

(c) the amount of the estimated income is less than the threshold amount worked out under subsection (2).

"(1B) The Secretary may determine that paragraph 838(1)(d) does not apply to the person if the value of the person's assets is more than $376,750 and not more than $559,250 and:

(a) the value of the person's liquid assets is equal to or greater than the liquid assets limit; or

(b) the amount of the estimated income is equal to or more than the threshold amount worked out under subsection (2).

"(1C) The Secretary may determine that paragraph 838(1)(d) does not apply to the person if:

(a) the value of the person's assets is more than $559,250; and

(b) the value of the person's liquid assets is less than the liquid assets limit; and

(c) the amount of the estimated income is less than the threshold amount worked out under subsection (2).

Note: The amounts in subsections (1A), (1B) and (1C) are indexed annually (see sections 1191 to 1194).

"(1D) For the purposes of this section, a person's *income* for a particular financial year is the sum of:

(a) the person's taxable income for that year; and

(b) the person's adjusted fringe benefits value for that year; and

(c) the person's target foreign income for that year; and

(d) the person's net rental property loss for that year.".

SCHEDULE 2—continued

97. Subsection 1132A(2):
Omit "(1)", substitute "(1A), (1B) and (1C)".

98. Subsection 1132A(3):
Omit.

99. Subsection 1132A(4):
Omit "taxable" (wherever occurring).

100. Section 1132A:
Add at the end:

"(5) In this section:
adjusted fringe benefits value has the same meaning as in points 1069-H25 and 1069-H26 in Module H in the Family Payment Rate Calculator in section 1069.
liquid assets value limit, in relation to a person, means:
   (a) if the person is a member of a couple—$10,000; or
   (b) if the person is not a member of a couple—$6,000.

Note 1: For *liquid assets* see section 19B.
Note 2: For *taxable income* see subsection 23(1).
Note 3: For *target foreign income* see subsection 10A(2).
Note 4: For *net rental property loss* see subsection 10A(15).".

101. Section 1132D:
Omit "or 1069-D2(c)".

102. Section 1167:
Omit "Module D of the Family Payment Rate Calculator and".

103. Section 1171:
Omit "Module D of the Family Payment Rate Calculator and".

104. Section 1171 (Note 2):
Omit.

105. Section 1190 (Indexed and Adjusted Amounts Table—item 4):
Omit, substitute:

"4.	Standard family payment rate	FPBR	[Family Payment Rate Calculator—Module B—Table B—all amounts]".

SCHEDULE 2—continued

106. Section 1190 (Indexed and Adjusted Amounts Table):
    After item 4 insert:

"4AA.	Minimum FP child rate	FP MBR	[Family Payment Rate Calculator—Module B— the amount stated in the formula in point 1069-B6]".

107. Section 1190 (Indexed and Adjusted Amounts Table— items 5, 6 and 7):
    Omit, substitute:

"5.	FP child rate for child under 13 years of age	FP under 13 child rate	[Family Payment Rate Calculator—Module B— Table B—item 1]
6.	FP child rate for child who has reached 13, but is under 16, years of age	FP 13-15 child rate	[Family Payment Rate Calculator—Module B— Table B—item 2]
7.	Guardian allowance	GA	[Family Payment Rate Calculator—Module F— point 1069-F7]
7A.	Large family supplement calculation amount	LFS	[Family Payment Rate Calculator—Module C— the amount stated in the formula in point 1069-C4]".

108. Section 1190 (Indexed and Adjusted Amounts Table—item 13):
    Omit from column 4 "1069-C2", substitute "1069-D3".

109. Section 1190 (Indexed and Adjusted Amounts Table—item 14):
    Omit from column 4 "1069-B3", substitute "1069-A2".

110. Section 1190 (Indexed and Adjusted Amounts Table—item 19):
    Omit, substitute:

"19.	Rent assistance	FP RA	[Family Payment Rate Calculator—Module E— Table E— columns 3 and 4—all amounts]".

111. Section 1190 (Indexed and Adjusted Amounts Table— item 19A):
    Omit from column 4 "subparagraphs 1069-F1(c)(i), (ii) and (iii)", substitute "subparagraphs 1069-E2(1)(c)(i), (ii) and (iii)".

SCHEDULE 2—continued

112. Section 1190 (Indexed and Adjusted Amounts Table—items 21 and 22):

Omit, substitute:

| "21. | Income ceiling for family payment | FP income ceiling | [Family Payment Rate Calculator—Module H— Table H1—columns 1 and 2] |
| 22. | Income free area for family payment | FP basic free area | [Family Payment Rate Calculator—Module H— Table H2—column 1]". |

113. Section 1190 (Indexed and Adjusted Amounts Table— item 23A):

Omit from column 4 "point 1069-I7—Table I2", substitute "point 1069-J8—Table J".

114. Section 1190 (Indexed and Adjusted Amounts Table— item 23B):

Omit from column 4 "point 1069-I7—Table I2", substitute "point 1069-J8—Table J".

115. Section 1190 (Indexed and Adjusted Amounts Table— item 34A):

Omit from column 4 "[subsection 1132A(3)]".

116. Section 1190 (Indexed and Adjusted Amounts Table):

After item 34A insert:

| "34B. | Assets value hardship limits for family payment | FP HAVL | [Subsections 1132A(1A), (1B) and (1C)—all amounts]". |

117. Section 1190 (Indexed and Adjusted Amounts Table—item 35):

Omit.

118. Section 1191 (CPI Indexation Table—item 4):

Omit from column 2 "family payment MBR", substitute "FPBR".

119. Section 1191 (CPI Indexation Table):

After item 4 insert:

| "4A. | FP MBR | 1 January | June | highest June quarter before reference quarter (but not earlier than June quarter 1989) | $0.10 |
| | | | | | ". |

SCHEDULE 2—continued

120. Section 1191 (CPI Indexation Table):

After item 5 insert:

"6.	FP under 13 child rate	1 January	June	highest June quarter before reference quarter (but not earlier than June quarter 1989)	$0.10
6A.	FP 13-15 child rate	1 January	June	highest June quarter before reference quarter (but not earlier than June quarter 1989)	$0.10
6B.	LFS	1 January	June	highest June quarter before reference quarter (but not earlier than June quarter 1989)	$0.10 ".

121. Section 1191 (CPI Indexation Table—item 13):

Omit "AFP MRA", substitute "FP RA".

122. Section 1191 (CPI Indexation Table—item 15):

Omit from column 2 "FP base rate income ceiling", substitute "FP income ceiling".

123. Section 1191 (CPI Indexation Table—item 16):

Omit from column 2 "AFP basic free area", substitute "FP basic free area".

124. Section 1191 (CPI Indexation Table—item 25):

Omit from column 2 "AFP AVL", substitute "FP HAVL".

125. Subsection 1199(1):

Omit "AFP under 13 child MBR", substitute "FP under 13 child rate".

126. Subsection 1199(1):

Omit from the formula "−FP amount".

127. Subsection 1199(1) (Note 2):

Omit.

128. Subsection 1199(1) (Note 3):

Omit "−FP amount" (wherever occurring).

129. Subsection 1199(2):
   Omit "AFP under 13 child MBR", substitute "FP under 13 child rate".

130. Subsection 1199(3):
   Omit "AFP 13-15 child MBR", substitute "FP 13-15 child rate".

131. Subsection 1199(3):
   Omit from the formula "-FP amount".

132. Subsection 1199(3) (Note 2):
   Omit.

133. Subsection 1199(3) (Note 3):
   Omit "-FP amount" (wherever occurring).

134. Subsection 1199(4):
   Omit "AFP 13-15 child MBR", substitute "FP 13-15 child rate".

135. Subsection 1199(6):
   Omit.

Note: The heading to section 1199 is altered by omitting "**AFP child MBRs**" and substituting "**FP child rates**".

136. Section 1202:
   (a) Omit "AFP MRA" (wherever occurring), substitute "FP RA".
   (b) Omit "AFP children" (wherever occurring), substitute "FP children".

Note: The heading to section 1202 is altered by omitting "**AFP MRA**" and substituting "**FP RA**".

137. Section 1210 (International Agreement Portability Rate Calculator—Module A—point 1210-A1):
   Omit Step 5 of the Method statement, substitute:

   "*Step 5.*   If the person's notional agreement pension rate is not nil, work out the person's notional family payment rate that would be payable if the person were in Australia. The *notional family payment rate* is the amount worked out by adding the standard family payment rate and the guardian allowance and subtracting the minimum family payment rate.".

138. Section 1211:
   (a) Omit ", parenting allowance and additional family payment", substitute "and parenting allowance".
   (b) Omit ", 906(d) and 1069-D2(a)", substitute "and 906(d)".

SCHEDULE 2—continued

139. Subparagraph 1223(3)(b)(ii):
Omit "taxable".

140. Subparagraphs 1223(4)(c)(i) and (ii):
Omit "taxable".

141. Subsection 1223(12) (definition of *maximum payment rate*):
Omit, substitute:
"*maximum payment rate* means:
  (a) in relation to family payments made before 1 January 1996—the meaning given by subsection 1223(12) as in force immediately before that date; and
  (b) in relation to family payments made on or after that date—the gross family payment rate worked out under Step 1 of the Method statement in point 1069-A1 in Module A of the Family Payment Rate Calculator in section 1069.".

142. Subsection 1237A(6):
Omit, substitute:

"(6) For the purposes of subsection (5):
  (a) an amount of family payment is the minimum standard family payment rate; and
  (b) an amount of family allowance does not include multiple birth allowance.".

143. After paragraph 1250(1)(k):
Insert:
"(l) under the Family Payment Rate Calculator in section 1069 that is made by a disallowable instrument.".

144. Schedule 1A:
Add at the end:

"PART 3—SAVING AND TRANSITIONAL PROVISIONS APPLICABLE ON THE CHANGES IN THE PROVISIONS RELATING TO FAMILY PAYMENT

Income determinations (changes made on 1 January 1996)
"80.(1) Sections 884, 885 and 886 as in force immediately before 1 January 1996 continue to apply in relation to payments made in respect of family payment paydays that occurred before that date.

SCHEDULE 2—continued

"(2) Sections 884, 885 and 886 as in force on 1 January 1996 apply in relation to all payments of family payment made on or after that date.

Saving of rights of service pensioners (changes made on 1 January 1996)

"81. If:

(a) a person, or a person's partner, was receiving a service pension at a time before 1 January 1996; and

(b) the rate of the pension included a dependent child add-on or a guardian allowance; and

(c) the child to which the dependent child add-on or guardian allowance related died before that date; and

(d) a payment under Division 10 of Part 2.17 would have been made to the person on or after that date if the amendments made by Schedules 2 and 3 to the *Social Security Legislation Amendment (Family Measures) Act 1995* had not been made;

the person is entitled to receive the same payments under that Division on and after that date in respect of the death of the child as he or she would have been entitled to receive if those amendments had not been made.".

SCHEDULE 3   Subsection 3(1)

AMENDMENT OF THE SOCIAL SECURITY ACT 1991 IN RELATION TO THE CALCULATION OF RATE OF FAMILY PAYMENT

1. Part 3.7:
Repeal, substitute:

"PART 3.7—FAMILY PAYMENT RATE CALCULATOR

Rate of family payment
"1069. The rate of a person's family payment rate is to be calculated in accordance with the following Rate Calculator.

"FAMILY PAYMENT RATE CALCULATOR

"MODULE A—OVERALL RATE CALCULATION PROCESS

Method of calculating rate
"1069-A1. The rate of family payment of a person (other than an approved care organisation) who has an FP child or FP children is a fortnightly rate calculated as follows:

	Method statement
Step 1.	Add the amounts worked out under the following Modules: – MODULE B (standard family payment rate); – MODULE C (large family supplement); – MODULE D (multiple birth allowance); – MODULE E (rent assistance); – MODULE F (guardian allowance). The result is the person's *gross family payment rate.* Note: If 2 people who are not members of the same couple share the daily care and legal responsibility of a child, Module G may apply.
Step 2.	Apply the family payment income test in Submodule 3 of MODULE H to the person's gross family payment rate to work out any reduction for income. Take any reduction away from the person's gross family payment rate: the result is the person's *income tested family payment rate.*
Step 3.	Take away from the person's income tested family payment rate the person's minimum family payment rate: the result is the person's *adjusted income tested family payment rate.*

SCHEDULE 3—continued

Method statement—continued

Step 4.	Apply the maintenance income test in MODULE J to the person's adjusted income tested family payment rate to work out any reduction for maintenance income. Take any reduction away from the person's adjusted income tested family payment rate: the result is the person's *maintenance tested family payment rate.*

Step 5.	Unless Step 6 applies, the person's *family payment rate* is:
	(a) if there is no reduction for income or for maintenance income—the person's gross family payment rate; or
	(b) if there is a reduction for income but no reduction for maintenance income—the person's income tested family payment rate; or
	(c) if there is a reduction for maintenance income—the sum of:
	    (i) the person's maintenance tested family payment rate; and
	    (ii) the person's minimum family payment rate.

Step 6.	If there is any reduction for income under Step 2 or any reduction for maintenance income under Step 4, but the person's family payment income worked out under Step 2 in Submodule 3 of MODULE H is less than the person's income ceiling worked out under Step 3 of Submodule 3 of MODULE H, then the person's *family payment rate* is the greater of the following amounts: (a) the rate obtained under Step 5; (b) the minimum family payment rate.

Rate of family payment to approved care organisation

"1069-A2. The rate of family payment payable to an approved care organisation for an FP child is $28.90 per fortnight.

Note: The amount referred to in this point is indexed annually in line with CPI increases (see sections 1191 to 1194).

"MODULE B—STANDARD FAMILY PAYMENT RATE

"1069-B1. This Module is subject to Module K.

SCHEDULE 3—continued

Standard family payment rate—family payment advance

"1069-B2.(1) Subject to the following provisions of this Module, a person's standard family payment rate is worked out using Table B. Work out which category applies to each FP child of the person. The FP child rate is the corresponding amount in column 3. The standard family payment rate is the sum of the FP child rates.

TABLE B		
column 1 item	column 2 category of FP child	column 3 rate per fortnight
1.	FP child who is under 13 years of age	$88.90
2.	FP child who has reached 13, but is under 16, years of age	$115.80
3.	FP child who has reached 16, but is under 19, years of age	$55.70

"(2) If the Secretary determines in writing, for the purposes of column 3 of item 1 or 2 of Table B, a higher amount in substitution for an amount set out in that column of that item, the higher amount is taken, from the commencement of this Part, to be substituted for the amount so set out.

Note 1: For *FP child* see section 831.

Note 2: The item 1 rate is adjusted annually so that the family payment for children covered by this item does not fall below 16.6% of the combined pensioner couple maximum basic rate (see subsections 1199(1) and (2)).

Note 3: The item 2 rate is adjusted annually so that the family payment for children covered by this item does not fall below 21.6% of the combined pensioner couple maximum basic rate (see subsections 1199(3) and (4)).

Note 4: If point 1069-G1 or 1069-G2 (shared daily care and legal responsibility) applies to a person's FP child or children, the part of the person's basic family payment rate that relates to that child or each of those children may be reduced.

"(3) A determination under subpoint (2) is a disallowable instrument.

Standard family payment rate—family payment advance to person

"1069-B3. If family payment advance is paid to a person, the person's rate of family payment during the person's family payment advance period is to be reduced by one-half of the person's minimum FP child rate.

Note 1: Family payment advance is payable under section 864A.

Note 2: For *family payment advance period* see subsections 864B(2) to (5).

Standard family payment rate—family payment advance to partner

"1069-B4. If:

(a) a person is a member of a couple at a particular time in a standard advance period; and

(b) either:
   (i) the person's partner dies at that time; or
   (ii) the person's partner's family payment is cancelled at that time; and

(c) family payment advance was paid to the person's partner during that standard advance period;

the person's rate of family payment during the partner's family payment advance period is to be reduced by one-half of the person's minimum FP child rate.

Person temporarily absent from Australia for more than 13 weeks

"1069-B5.(1) A person's standard rate of family payment at a time when the person has been absent from Australia (whether before or after the commencement of this Part) for more than 13 weeks may not exceed the person's minimum family payment rate.

"(2) If a person:

(a) returns to Australia after having been absent from Australia (whether before or after the commencement of this Part) for more than 13 weeks; and

(b) leaves Australia before the end of 13 weeks after he or she so returned to Australia;

the person is taken, for the purposes of this point, to have continued to be absent from Australia throughout the period from the time of the return to the time when the person so left Australia.

Minimum standard family payment rate

"1069-B6. A person's *minimum standard family payment rate* is the amount per fortnight worked out using the formula:

$$\$21.70 \times \textbf{Number of dependent FP children}$$

where:

Number of dependent FP children means the number of dependent children of the person who are FP children of the person.

Note: The amount referred to in the formula is indexed annually in line with CPI increases (see sections 1191 to 1194).

FP child temporarily absent from Australia

"1069-B7.(1) If an FP child of a person is outside Australia, the FP child rate for that child is $21.70.

Note: The amount referred to is indexed annually in line with CPI increases (see sections 1191 to 1194).

"(2) If:

(a) a child who was born outside Australia but has not lived in Australia enters Australia; or

(b) a child returns to Australia after having been absent from Australia (whether before or after the commencement of this Part);

and the child leaves Australia before the end of 13 weeks after he or she so entered or returned to Australia, the child is taken, for the purposes of this point, to have continued to be outside Australia throughout the period from the time of the entry or return to the time when he or she so left Australia.

Note: A child that is outside Australia is taken into account, for up to 3 years, for the purposes of the calculation of any large family supplement (see Module C), a multiple birth allowance (see Module D) or rent assistance (see Module E).

Standard family payment rate—recipient of other periodic payments

"1069-B8. The standard family payment rate of a person is the minimum standard family payment rate if:

(a) the person or the person's partner is receiving a periodic payment under a law of the Commonwealth and the law provides for an increase in the rate of payment by reference to the child; or

(b) the person or the person's partner is receiving a periodic payment under a scheme administered by the Commonwealth and the scheme provides for an increase in the rate of payment by reference to the child.

"MODULE C—LARGE FAMILY SUPPLEMENT

"1069-C1. This Module is subject to Module K.

Qualification for large family supplement

"1069-C2. Subject to point 1069-C3, an amount by way of large family supplement is to be added to a person's standard family payment rate if the person has 4 or more FP children.

Large family supplement payable only to one member of a couple

"1069-C3. For the purposes of the large family supplement, a child is to be taken not to be an FP child of a person who is a member of a couple if the person's partner is already receiving large family supplement in respect of the child.

Rate of large family supplement

"1069-C4. The rate per fortnight of large family supplement is the amount per fortnight worked out using the formula:

$$\$7.20 \times (\textbf{Number of dependent FP children} - 3);$$

where:

Number of dependent FP children means the number of dependent children
of the person who are FP children of the person.

Note: The amount set out in the formula used in calculating the large family supplement is indexed
      annually in line with CPI increases (see sections 1191 to 1194).

Transitional indexation

"1069-C5.(1) If the Secretary determines in writing, for the purposes of
point 1069-C4, a higher amount in substitution for the amount set out in the
formula in that point, the higher amount is taken, from the commencement
of this Part, to be substituted for the amount so set out.

"(2) A determination under subpoint (1) is a disallowable instrument.

Large family supplement not affected by certain factors

"1069-C6. Large family supplement is to be payable to a person even
if point 1069-B6 applies in respect of any of the children or if another person
has the shared care and legal responsibility of any of the children.

"*MODULE D—MULTIPLE BIRTH ALLOWANCE*

"1069-D1. This Module is subject to Module K.

Qualification for multiple birth allowance

"1069-D2. An amount by way of multiple birth allowance is to be added
to a person's standard family payment rate if:

  (a) the person has 3 or more FP children; and
  (b) at least 3 of those children were born during the same multiple birth
       and are under the age of 6 years.

Rate of multiple birth allowance

"1069-D3. The rate of multiple birth allowance is:

  (a) if the number of the FP children born during the same multiple birth
       is 3—$87.00; and
  (b) if the number of the FP children born during the same multiple birth
       is 4 or more—$116.00.

Note 1: The multiple birth allowances are indexed annually in line with CPI increases (see sections
        1191 to 1194).

Note 2: If point 1069-G1 or point 1069-G2 (shared daily care and legal responsibility) applies to a
        person's FP child or FP children, the person's rate of multiple birth allowance for that child
        or for each of those children may be reduced.

Transitional indexation

"1069-D4.(1) If the Secretary determines in writing, for the purposes of
point 1069-D3, a higher amount in substitution for an amount set out in
paragraph (a) or (b) of that point, the higher amount is taken, from the
commencement of this Part, to be substituted for the amount so set out.

"(2) A determination under subpoint (1) is a disallowable instrument.

"MODULE E—RENT ASSISTANCE

"1069-E1. This Module is subject to Module K.

Qualification for rent assistance

"1069-E2.(1) Subject to point 1069-E3, an amount by way of rent assistance is to be added to a person's standard family payment rate if:

(a) the person is not an ineligible homeowner; and

(b) the person pays, or is liable to pay, rent (other than Government rent); and

(c) the rent is payable at a rate of more than:

   (i) if the person is not a member of a couple—$83.40 per fortnight; or

   (ii) if the person is a member of a couple (other than an illness separated couple, a respite care couple or a temporarily separated couple)—$125.60 per fortnight; or

   (iii) if the person is a member of an illness separated couple, a respite care couple or a temporarily separated couple—$83.40 per fortnight; and

(d) neither the person nor the person's partner is receiving payments of incentive allowance.

"(2) If the Secretary determines in writing, for the purposes of subpoint (1) of this point, a higher amount in substitution for an amount set out in subparagraph (c)(i), (ii) or (iii) of that subpoint, the higher amount is taken, from the commencement of this Part, to be substituted for the amount so set out.

"(3) A determination under subpoint (2) is a disallowable instrument.

Note 1: For *rent, Government rent* and *ineligible homeowner* see section 13.

Note 2: For *temporarily separated couple, illness separated couple* and *respite care couple* see section 4.

Note 3: For *incentive allowance* see subsection 23(1).

Note 4: The amounts in paragraph (1)(c) are indexed 6 monthly in line with CPI increases (see sections 1191 to 1194).

No person qualified for rent assistance if approved care organisation receiving family payment for child

"1069-E3. If an approved care organisation is receiving family payment for a person's only dependent child or all of the person's dependent children, rent assistance is not payable to the person under this Module.

SCHEDULE 3—continued

Rate of rent assistance

"1069-E4. The rate of rent assistance is worked out using Table E. Work out the person's family situation and calculate Rate A for the person using the corresponding formula in column 3. This will be the person's rate of rent assistance but only up to the person's maximum rent assistance rate. The person's maximum rent assistance rate is Rate B worked out using column 4.

TABLE E RATE OF RENT ASSISTANCE				
column 1 item	column 2 family situation	column 3 Rate A	column 4 Rate B	
			column 4A	column 4B
			1 or 2 FP children	3 or more FP children
1.	Not member of a couple	$\dfrac{(\text{fortnightly rent} - \$83.40) \times 3}{4}$	$77.00	$88.00
2.	Member of a couple (other than an illness separated couple, a respite care couple or a temporarily separated couple)	$\dfrac{(\text{fortnightly rent} - \$125.60) \times 3}{4}$	$77.00	$88.00
3.	Member of an illness separated couple, a respite care couple or a temporarily separated couple	$\dfrac{(\text{fortnightly rent} - \$125.60) \times 3}{4}$	$77.00	$88.00

Note 1: The Rate A and Rate B amounts are indexed 6 monthly in line with CPI increases: see sections 1191 to 1194.

Note 2: For *temporarily separated couple*, *illness separated couple* and *respite care couple*, see section 4.

SCHEDULE 3—continued

Transitional indexation

"1069-E5.(1) If the Secretary determines in writing, for the purposes of Table E in point 1069-E4, a higher amount in substitution for an amount set out in that Table, the higher amount is taken, from the commencement of this Part, to be substituted for the amount so set out.

"(2) A determination under subpoint (1) is a disallowable instrument.

Fortnightly rent

"1069-E6. Fortnightly rent in Table E is the fortnightly rent paid or payable by the person whose rent is being calculated.

Rent paid by a member of a couple

"1069-E7. If a person is a member of a couple and is living with his or her partner in their home, any rent paid or payable by the partner is to be treated as paid or payable by the person.

FP children to include "shared" children

"1069-E8. A reference in Table E to an FP child includes a reference to a child in relation to whom the Secretary has made a declaration under subsection 869(1).

"MODULE F—GUARDIAN ALLOWANCE

"1069-F1. This Module is subject to Module K.

Qualification for guardian allowance

"1069-F2.(1) Subject to subpoints (2) and (3), an amount by way of guardian allowance is to be added to a person's standard family payment rate if:

   (a) the person is not a member of a couple; or

   (b) the person is a member of an illness separated couple; or

   (c) the person is a member of a couple whose partner has been in gaol for a continuous period of at least 14 days.

"(2) An amount is not to be added to a person's standard family payment rate under subpoint (1) if:

   (a) the person is outside Australia and has been outside Australia for more than 13 weeks; or

   (b) the person has only one FP child and that child is outside Australia.

"(3) If a person in receipt of family payment or the only FP child of such a person:

   (a) returns to Australia after having been absent from Australia (whether before or after the commencement of this Part) for more than 13 weeks; and

SCHEDULE 3—continued

(b) leaves Australia before the end of 13 weeks after he or she so returned to Australia;

the person or child, as the case may be, is taken, for the purposes of this point, to have continued to be absent from Australia throughout the period from the time of the return to the time when the person or child so left Australia.

Approved care organisation is not qualified for guardian allowance

"1069-F3. An amount by way of guardian allowance is not payable to an approved care organisation.

Child to be disregarded if approved care organisation receiving family payment for that child

"1069-F4. If an approved care organisation is receiving family payment for a child, that child is to be disregarded in determining whether an amount by way of guardian allowance is payable to any person.

No guardian allowance if another person is receiving guardian allowance

"1069-F5. If an amount by way of guardian allowance is payable to a person because the person has a particular child, that child is to be disregarded in determining whether an amount by way of guardian allowance is payable to any other person for the child.

Guardian allowance where 2 people share the daily care and legal responsibility of a child

"1069-F6. In determining whether an amount by way of guardian allowance is payable in respect of a child where 2 people share the daily care and legal responsibility of the child, the child is to be taken into account only in relation to whichever of them has the greater share of the daily care of, and legal responsibility for, the child.

Rate of guardian allowance

"1069-F7. The rate of guardian allowance is $30.10 a fortnight.

Note: The rate of guardian allowance is indexed annually in line with CPI increases (see sections 1191 to 1194).

Transitional indexation

"1069-F8.(1) If the Secretary determines in writing, for the purposes of point 1069-F7, a higher amount in substitution for the amount set out in that point, the higher amount is taken, from the commencement of this Part, to be substituted for the amount so set out.

"(2) A determination under subpoint (1) is a disallowable instrument.

"*MODULE G—SHARED DAILY CARE AND LEGAL RESPONSIBILITY*

Sharing family payment (determination under subsection 869(1))
"1069-G1. If:
(a) 2 people who are not members of the same couple are each qualified for family payment for the same child; and
(b) the Secretary has made a declaration under subsection 869(1) in respect of family payment payable in respect of the child; and
(c) the declaration states the percentage of family payment in respect of the child that a person is to receive;

the FP child rate for the child, in working out the rate of family payment payable to the person, is the stated percentage of the FP child rate that would otherwise apply to the child.
Note: For *FP child rate* see Module B.

2 people who are not members of the same couple qualify for family payment for same child (no determination under subsection 869(1))
"1069-G2. If:
(a) 2 people who are not members of the same couple are each qualified for family payment for the same child; and
(b) the Secretary has not made a declaration under subsection 869(1) in respect of family payment payable in respect of the child; and
(c) the family payment rate of one of the people includes an FP child rate for the child;

the FP child rate for the child is not to be included in the family payment rate of the other person.

Sharing multiple birth allowance between 2 people (declaration under subsection 869(1))
"1069-G3. If:
(a) 2 people who are not members of the same couple are each qualified for family payment for the same child; and
(b) the Secretary has made a declaration under subsection 869(1) in respect of the family payment payable in respect of the child; and
(c) the child is one of at least 3 children who were born during the same multiple birth;

multiple birth allowance under Module D in respect of the multiple birth is to be dealt with in accordance with the declaration.

SCHEDULE 3—continued

2 people who are not members of the same couple qualify for
multiple birth allowance for same child (no determination
under subsection 869(1))

"1069-G4. If:

(a) 2 people who are not members of the same couple are each qualified for family payment for the same child; and

(b) the child is one of at least 3 children who were born during the same multiple birth; and

(c) the Secretary has not made a declaration under subsection 869(1) in respect of family payment payable in respect of the child; and

(d) the family payment rate of one of the people includes a multiple birth allowance in respect of the child;

the family payment rate of the other person is not to include any amount by way of multiple birth allowance under Module D.

"MODULE H—FAMILY PAYMENT INCOME TEST

"Submodule 1—General

Persons to whom the income test applies

"1069-H1. The family payment income test in Submodule 3 applies to a person unless the person, or the person's partner, is receiving a social security pension, a social security benefit, a youth training allowance or a service pension.

Income

"1069-H2. For the purposes of this Module, a person's *family payment income* for a particular tax year is the sum of the following amounts (*income components*):

(a) the person's taxable income for that year;

(b) the person's adjusted fringe benefits value for that year;

(c) the person's target foreign income for that year;

(d) the person's net rental property loss for that year.

Note 1: For *taxable income* see subsection 23(1).
Note 2: For *adjusted fringe benefits value* see points 1069-H25 and H26.
Note 3: For *target foreign income* see subsection 10A(2).
Note 4: For *net rental property loss* see subsection 10A(15).

Income of members of couple to be added

"1069-H3. For the purposes of this Module, if a person is a member of a couple, the person's income for a tax year includes the income for that year of the person's partner.

Fringe benefits value

"1069-H4. For the purposes of this Module, a person's fringe benefits value for a tax year is the sum of the values of all the assessable fringe benefits received by the person in that tax year.

Secretary may determine that an event is an assumed notifiable event

"1069-H5. The Secretary may determine that an event that is described in some or all of the notices given under subsection 872(1) is to be an assumed notifiable event for the purposes of this Module.

Secretary may determine that an event is a notifiable event

"1069-H6. If the Secretary gives a person a notice under subsection 872(1) relating to the payment of family payment to the person, the Secretary may state in the notice that an event described in the notice is a notifiable event for the purposes of this Module.

Person with unknown income for tax year

"1069-H7.(1) If a person does not have any one or more of the income components for a tax year in accordance with point 1069-H8, the person is taken to have an unknown income for that year.

Note 1: For *income component* see point 1069-H2.

Note 2: A person is not qualified for family payment if an income component of the person for the tax year is unknown (see points 1069-K1 and 1069-K2).

"(2) For the purposes of subpoint (1), a person has an income component even though the amount of the component is nil.

Income components for tax year

"1069-H8.(1) A person's *taxable income* for a tax year is:

(a) the person's assessed taxable income for that year; or

(b) if the person does not have an assessed taxable income for that year—the person's accepted estimate of taxable income for that year.

"(2) A person's *adjusted fringe benefits value* for a tax year is:

(a) the amount of that value as determined by the Secretary; or

(b) if a determination of that amount for that year has not been made by the Secretary—the person's accepted estimate of that amount for that year.

"(3) A person's *target foreign income* for a tax year is the person's accepted estimate of the amount of that income for that year.

"(4) A person's *net rental property loss* for a tax year is the person's accepted estimate of the amount of that loss for that year.

SCHEDULE 3—continued

Assessed taxable income

"1069-H9. A person's *assessed taxable income* for a tax year at a particular time is the most recent of:

(a) if, at that time, the Commissioner of Taxation has made an assessment or an amended assessment of that taxable income—that taxable income according to the assessment or amended assessment; or

(b) if, at that time, a tribunal has amended an assessment or an amended assessment made by the Commissioner—that taxable income according to the amendment made by the tribunal; or

(c) if, at that time, a court has amended an assessment or an amended assessment made by the Commissioner or an amended assessment made by a tribunal—that taxable income according to the amendment made by the court.

Accepted estimate

"1069-H10. A person's *accepted estimate* of an income component for a tax year is that income component according to the most recent notice given by the person under point 1069-H11 and accepted by the Secretary for the purposes of this Module.

Notice estimating income component

"1069-H11. A person may give the Secretary a notice setting out the person's estimate of an income component of the person for a tax year.

Acceptance of notice

"1069-H12. The Secretary is to accept a notice referred to in point 1069-H11 for the purposes of this Module only if the Secretary is satisfied that the estimate is reasonable.

"*Submodule 2—Appropriate tax year*

Appropriate tax year

"1069-H13. Subject to the following provisions of this Submodule, the appropriate tax year for a family payment payday is the base tax year for that payday.

Base tax year

"1069-H14. The base tax year for a family payment payday is the tax year that ended on 30 June in the calendar year that came immediately before the calendar year in which the payday occurs.

Example: A family payment payday occurs on 25 January 1995—this day occurs in the calendar year 1 January 1995 to 31 December 1995—the calendar year that came immediately before this one is the calendar year 1 January 1994 to 31 December 1994—the base tax year is the tax year that ended on 30 June 1994 (ie the year of income that began on 1 July 1993).

Current tax year to be retained for consecutive calendar years
in certain circumstances

"1069-H15. If:

(a) family payment is payable to a person:

    (i) on the last family payment payday in one calendar year; and

    (ii) on the first family payment payday in the next calendar year; and

(b) the person's family payment rate on the last family payment payday in the earlier of the 2 calendar years is worked out on the basis that the person's appropriate tax year is the tax year in which the payday occurs (the *current tax year*); and

(c) the person's family payment rate on that payday was worked out on that basis because the person had made a request under point 1069-H21; and

(d) the person's income for the current tax year is less than the person's income for the base tax year;

the person's appropriate tax year, as from the beginning of the later calendar year, is the current tax year and not the base tax year unless the income for the base tax year is less than the person's income free area.

Note: For *income* see point 1069-H2.

Change to appropriate tax year because of assumed notifiable event

"1069-H16. If:

(a) an assumed notifiable event in relation to a person occurs after the end of the base tax year and before the beginning of the family payment period; and

(b) the person's income for the tax year in which the assumed notifiable event occurs exceeds:

    (i) 110% of the person's income for the base year; and

    (ii) 110% of the person's income free area;

the appropriate tax year, for the purpose of applying this Module to the person from the beginning of the family payment period, is the tax year in which the assumed notifiable event occurs.

Note 1: For *assumed notifiable event* see point 1069-H5.
Note 2: For *income free area* see Table H2.
Note 3: For *family payment period* see subsection 6(1).
Note 4: For *income* see point 1069-H2.

Change to appropriate tax year because of effect of assumed notifiable
event on income for later tax year

"1069-H17. If:

(a) an assumed notifiable event occurs in relation to a person after the end of the base tax year and before the beginning of the family payment period; and

(b) point 1069-H16 does not make the year in which the event occurs (the *event tax year*) the appropriate tax year; and

(c) the person's income for the tax year that follows the event tax year is likely to exceed:

   (i) 110% of the person's income for the base tax year; and

   (ii) 110% of the person's income free area;

the appropriate tax year, for the purpose of applying this Module to the person for:

(d) the part of the family payment period in which the event occurs that comes after the end of the event tax year; and

(e) the next family payment period after the one referred to in paragraph (d);

is the year that follows the event tax year.

Note: For *income* see point 1069-H2.

Change to appropriate tax year because of notifiable event
   "1069-H18. If:

(a) a notifiable event occurs in relation to a person; and

(b) the person's income for the tax year in which the notifiable event occurs exceeds:

   (i) 110% of the person's income for the base tax year; and

   (ii) 110% of the person's income free area;

the appropriate tax year, for the purpose of applying this Module to the person for the remainder of the family payment period, is the tax year in which the notifiable event occurs.

Note 1: For *notifiable event* see point 1069-H6.
Note 2: For *income* see point 1069-H2.

Change to appropriate tax year because of effect of notifiable event on income for later tax year
   "1069-H19. If:

(a) a notifiable event occurs in relation to a person; and

(b) point 1069-H18 does not make the year in which the event occurs (the *event tax year*) the appropriate tax year; and

(c) the person's income for the tax year that follows the event tax year is likely to exceed:

   (i) 110% of the person's income for the base tax year; and

(ii) 110% of the person's income free area;

the appropriate tax year, for the purpose of applying this Module to the person for:

(d) the part of the family payment period in which the event occurs that comes after the end of the event tax year; and

(e) the next family payment period after the one referred to in paragraph (d);

is the year that follows the event tax year.

Note: For *income* see point 1069-H2.

Change to appropriate tax year at recipient's request

"1069-H20. If:

(a) a person requests the Secretary to make a determination under point 1069-H21; and

(b) as a result, the Secretary determines under that point that the appropriate tax year, for the purpose of applying this Module to the person for a family payment payday on or after the day on which the request is made, is the tax year in which the person makes the request;

the appropriate tax year, for that purpose, is the tax year in which the person makes the request.

Family payment recipient may ask Secretary to change appropriate tax year

"1069-H21. If:

(a) family payment:

(i) is not payable to a person because of this Module; or

(ii) is payable at a reduced rate because of this Module; and

(b) the person gives the Secretary an estimate of the person's income for a tax year; and

(c) the person requests the Secretary to make a determination under this point; and

(d) the person agrees that the person's rate of family payment for that tax year is to be recalculated if the person's actual income for that tax year exceeds 110% of the amount estimated by the person;

the Secretary must determine that the appropriate tax year, for the purpose of applying this Module to the person for a family payment payday on or after the day on which the request is made, is the tax year in which the request is made.

Note 1: For *income* see point 1069-H2.

Note 2: For *the consequences of underestimating income* see section 885.

SCHEDULE 3—continued

Form of request

"**1069-H22.** A request under point 1069-H21 must be made in writing in accordance with a form approved by the Secretary.

"*Submodule 3—Family payment income test*

Satisfying the family payment income test

"**1069-H23.** This is how to work out whether a person satisfies the family payment income test:

Method statement
Step 1.   Work out the person's *appropriate tax year* using Submodule 2.
Step 2.   Work out the person's *family payment income* for that tax year by adding: – the person's taxable income for that tax year; and – the person's adjusted fringe benefits value for that tax year; and – the person's target foreign income for that tax year; and – the person's net rental property loss for that tax year. Note: For the treatment of the income of members of a couple see point 1069-H3.
Step 3.   Work out the person's *income ceiling* using point 1069-H27.
Step 4.   If the person's family payment income exceeds the income ceiling, the person does not satisfy the family payment income test and the person's *family payment rate* is nil.
Step 5.   Work out the person's *income free area* using point 1069-H28.
Step 6.   Work out whether the person's family payment income exceeds the person's income free area.
Step 7.   If the person's family payment income does not exceed the person's income free area, the person's *annual income excess* is nil.
Step 8.   If the person's family payment income exceeds the person's income free area, the person's *annual income excess* is the person's family payment income less the person's income free area.
Step 9.   Convert the annual income excess into a *fortnightly income excess* using point 1069-H31.
Step 10.   Work out the amount of the person's *reduction for income* using point 1069-H32. Note 1: It is only assessable fringe benefits that are used to work out the person's fringe benefits value. An assessable fringe benefit is a benefit that is a car benefit, school fees benefit, health insurance benefit or loan fringe benefit. For *assessable fringe benefit* see section 10A. Note 2: For *target foreign income* see subsection 10A(2). Note 3: For *net rental property loss* see subsection 10A(15).

SCHEDULE 3—continued

Fringe benefits value free area
    "1069-H24. A person's fringe benefits value free area is $1,000.
Note: If a person is a member of a couple, the person's fringe benefits value free area is still $1,000.

Person's adjusted fringe benefits value
    "1069-H25. If a person's fringe benefits value exceeds the fringe
benefits value free area, the person's adjusted fringe benefits value is the
person's fringe benefits value less the free area.

Nil adjusted fringe benefits value
    "1069-H26. If the person's fringe benefits value does not exceed the
fringe benefits value free area, the person's adjusted fringe benefits value is
nil.

Income ceiling
    "1069-H27. A person's income ceiling is worked out using Table
H1. A person's income ceiling is the basic ceiling amount in column 1 plus
an additional amount in column 2 for each FP child of the person (after the
first).

TABLE H1	
FAMILY PAYMENT—INCOME CEILING	
column 1	column 2
basic ceiling amount $61,020.00	additional amount for each FP child (after the first) $3,051.00

Note: The amounts in the Table are indexed in line with CPI increases (see sections 1191 to 1194).

Income free area
    "1069-H28. A person's income free area is worked out using Table H2.
A person's income free area is the FP basic free amount in column 1 plus an
additional amount in column 2 for each FP child of the person (after the first).

TABLE H2	
FAMILY PAYMENT—INCOME FREE AREA	
column 1	column 2
FP basic free amount $21,660.00	additional amount for each FP child (after the first) $624.00

Note: The FP basic free amount is indexed in line with CPI increases (see sections 1191 to 1194).

SCHEDULE 3—continued

Transitional indexation

"1069-H29.(1) If the Secretary determines in writing, for the purposes of Table H1 or Table H2, a higher amount in substitution for an amount set out in that Table, the higher amount is taken, from the commencement of this Part, to be substituted for the amount so set out.

"(2) A determination under subpoint (1) is a disallowable instrument.

FP child in point 1069-H28 includes children receiving prescribed educational scheme payments and 'shared' children

"1069-H30. In point 1069-H28, *FP child* includes:

(a) a student child who:

(i) has reached 16, but is under 18, years of age; and

(ii) is receiving payments under a prescribed educational scheme; or

(b) a child in relation to whom the Secretary has made a declaration under subsection 869(1).

Fortnightly excess

"1069-H31. The fortnightly income excess is:

$$\frac{\textbf{annual income excess}}{26} \, .$$

Reduction for income

"1069-H32. The reduction for income is:

$$\frac{\textbf{fortnightly income excess}}{2} \, .$$

SCHEDULE 3—continued

"MODULE J—MAINTENANCE INCOME TEST

Effect of maintenance income on family payment rate

"1069-J1. This is how to work out the effect of a person's maintenance income on the person's rate of family payment:

Method statement
Step 1. Work out the annual rate of the person's *maintenance income* disregarding any maintenance income for a dependent child who is not an FP child.
Note 1: For the treatment of maintenance income of members of a couple see point 1069-J2.
Note 2: *Special maintenance income* (see subsection 10(1)) may in some circumstances be disregarded under point 1069-J3.
Step 2. Work out the person's *maintenance income free area* (see points 1069-J8 and 1069-J9).
Note: A person's maintenance income free area is the maximum amount of maintenance income that the person may have without any deduction being made for maintenance income from the person's rate of family payment.
Step 3. Work out whether the person's maintenance income exceeds the person's maintenance income free area.
Step 4. If the person's maintenance income does not exceed the person's maintenance income free area, the person's *maintenance income excess* is nil and there is no reduction for maintenance income.
Step 5. If the person's maintenance income exceeds the person's maintenance income free area, the person's *maintenance income excess* is the person's maintenance income less the person's maintenance income free area.
Step 6. Use the person's maintenance income excess to work out the person's *reduction for maintenance income* using points 1069-J10 and 1069-J11.
Note: The application for the maintenance income test is affected by provisions concerning: • apportionment of capitalised maintenance income (section 1116); • non-cash housing maintenance—value of substitute for family home (section 1117).

Maintenance income of members of couple to be added

"1069-J2. The annual rate of the maintenance income of a person who is a member of a couple is the sum of the rates that, apart from this Point, would be the respective annual rates of each of the members of the couple.

SCHEDULE 3—continued

Special maintenance income

"1069-J3. Subject to points 1069-J6 and 1069-J7, if a person has special maintenance income in excess of the ceiling applicable to the person, the excess is disregarded for the purposes of this Module.

Note: For *special maintenance income* see subsection 10(1).

Amount of ceiling

"1069-J4. This is how to work out the ceiling applicable to a person:

	Method statement
Step 1.	Work out the amount of the person's *maintenance income free area* using points 1069-J8 and 1069-J9.
Step 2.	Work out the amount of the person's *appropriate pension MBR* (*maximum base rate*) using point 1069-J5.
Step 3.	Work out the standard family payment rate and deduct the minimum standard family payment rate. Note: For *standard family payment rate* and *minimum standard family payment rate* see subsection 6(1).
Step 4.	Work out the rent assistance that is to be added to the person's standard payment rate.
Step 5.	Work out the guardian allowance that is to be added to the person's standard payment rate.
Step 6.	Add up the amounts worked out under Steps 3, 4 and 5; annualise the resulting amount by multiplying it by 26.
Step 7.	Add up the amount worked out under Step 2 and the amount obtained under Step 6; divide the resulting amount by 2.
Step 8.	Add up the amounts obtained from Steps 1 and 7: the result is the *ceiling applicable to the person.*

Appropriate pension MBR (maximum basic rate)

"1069-J5. The *appropriate pension MBR* (*maximum base rate*) for a person at a particular time is:

   (a) if the person is not a member of a couple—the amount that is, at that time, the maximum basic rate of age pension payable to a person to whom item 1 of Table B in point 1064-B1 of Pension Rate Calculator A in section 1064 applies; or

   (b) if the person is a member of a couple—the amount that is, at that time, twice the maximum basic rate of age pension payable to a person to whom item 2 of Table B in point 1064-B1 of Pension Rate Calculator A in section 1064 applies.

SCHEDULE 3—continued

Special maintenance income not disregarded where child support available

"1069-J6. No amount is to be disregarded under point 1069-J3 if:

(a) child support is not payable under the *Child Support (Assessment) Act 1989* to the person for a child; and

(b) the person is entitled to make an application for assessment of child support under Part 5 of that Act for the child payable by another person; and

(c) either of the following subparagraphs applies:

   (i) the person has neither properly made such an application, nor properly made an application under Part 6 of that Act for acceptance of an agreement in relation to the child;

   (ii) the person has properly made an application of either kind, but has afterwards withdrawn the application or, after child support has become payable by the other person under that Act for the child, the person has ended the entitlement to child support.

Special maintenance income not disregarded if child support application not in force

"1069-J7. No amount is to be disregarded under point 1069-J3 if:

(a) child support is payable under the *Child Support (Assessment) Act 1989* to the person for a child; and

(b) the person is entitled to make an application under section 128 of that Act; and

(c) an application by the person under that section is not in force.

How to calculate a person's maintenance income free area

"1069-J8.(1) A person's *maintenance income free area* is worked out using Table J. Work out which family situation in Table J applies to the person. The maintenance income free area is the corresponding amount in column 3 plus an additional corresponding amount in column 5 for each FP child after the first.

SCHEDULE 3—continued

TABLE J MAINTENANCE INCOME FREE AREA					
column 1 item	column 2 person's family situation	column 3 basic free area per year	column 4 basic free area per fortnight	column 5 additional free area per year	column 6 additional free area per fortnight
1.	Not a member of a couple	$865.80	$33.00	$288.60	$11.10
2.	Partnered (both the person and the partner have maintenance income)	$1,731.60	$66.60	$288.60	$11.10
3.	Partnered (only one has maintenance income)	$865.80	$33.60	$288.60	$11.10

Note 1:   For *member of a couple* and *partnered* see section 4.

Note 2:   The amounts are indexed in line with CPI increases (see sections 1191 to 1194).

Transitional indexation

"(2) If the Secretary determines in writing, for the purposes of Table J, a higher amount in substitution for an amount set out in column 3 or column 5 in that Table, the higher amount is taken, from the commencement of this Part, to be substituted for the amount so set out.

"(3) A determination under subpoint (2) is a disallowable instrument.

Only maintenance actually received taken into account in applying Table J

"1069-J9. In determining whether or not item 2 or 3 of Table J applies to a person, point 1069-J2 is to be disregarded. This has the effect of taking into account only maintenance income that the person actually receives rather than any maintenance income that the person is taken to receive because of maintenance income received by the person's partner.

Maintenance income excess

"1069-J10. A person's maintenance income excess is the person's maintenance income less the person's maintenance income free area.

Reduction for maintenance income

"1069-J11. A person's reduction for maintenance income is:

$$\frac{\text{maintenance income excess}}{52}$$

Note: Explanation of derivation of maintenance income reduction formula: start with the person's maintenance income excess—divide by 26 to convert from a yearly to a fortnightly basis—divide by 2 and give a 50% taper.

"MODULE K—GENERAL

Income component unknown—no qualification

"1069-K1. Subject to point 1069-K2, a person is not qualified for family payment if:

(a) an income component of the person for the appropriate tax year for the family payment period is unknown; or

(b) an income component of the person's partner for the appropriate tax year for the family payment period is unknown.

Note: For the circumstances in which an income component of a person is to be treated as *unknown* see point 1069-H7.

Point K1 may not apply

"1069-K2. However, point 1069-K1 is not to apply if:

(a) the person is receiving a social security pension, a social security benefit, a youth training allowance or a service pension; or

(b) all the following subparagraphs apply:

    (i) the person gives a notice under point 1069-H11;

    (ii) the Secretary accepts the notice under point 1069-H12;

    (iii) the Secretary makes a determination to give effect to the acceptance of the notice.

Note: A person receiving a payment referred to in paragraph (a) is not subject to the family payment income test (see point 1069-H1).

Effect of maintenance rights

"1069-K3. If:

(a) a person or a person's partner is entitled to claim or apply for maintenance for a child; and

SCHEDULE 3—continued

(b) the Secretary considers that it is reasonable for the person or partner to take action to obtain maintenance; and

(c) the person or partner does not take action that the Secretary considers reasonable to obtain maintenance;

then:

(d) the person's family payment rate in respect of the child is the amount set out in the formula in point 1069–B6 in Module B of the Family Payment Rate Calculator in section 1069; and

(e) the person does not qualify for rent assistance in respect of the child; and

(f) the person does not qualify for guardian allowance in respect of the child.

Note 1: Rent assistance is payable under Module E of this Part.

Note 2: Guardian allowance is payable under Module F of this Part.

SCHEDULE 4 Subsection 3(1)

OTHER AMENDMENTS OF THE SOCIAL SECURITY ACT 1991

1. Subsection 5(1) (definition of *student child*):
Omit, substitute:
"*student child* has the meaning given by subsection (1A).".

2. Subsection 5(1) (definition of *young person*):
Omit, substitute:
"*young person* has the meaning given by subsection (1B).".

3. After subsection (1):
Insert:

"(1A) A person is a student child at a particular time if:
(a) at the time, the person:
    (i) has reached 16, but is under 22, years of age; and
    (ii) is receiving full-time education at a school, college or university; and
(b) the person's income in the financial year in which that time occurs will not be more than $6,403.

"(1B) A person is a young person at a particular time if at that time the person:
(a) is under 16 years of age; or
(b) is a student child.".

4. Subsection 5(4):
Omit, substitute:

Dependent child—16 to 21 years of age
"(4) Subject to subsections (5) to (8), a young person is a dependent child of another person at a particular time if:
(a) at that time, the young person:
    (i) has reached 16, but is under 22, years of age; and
    (ii) is wholly or substantially dependent on the other person; and
(b) the young person's income in the financial year in which that time occurs will not be more than $6,403.".

5. Paragraph 5(10)(a):
Omit "25", substitute "22".

SCHEDULE 4—continued

6. Paragraph 5(11)(a):
Omit, substitute:
"(a) the person is a young person who has reached 16, but is under 22, years of age; and".

7. Section 1067E (Sickness Allowance Rate Calculator, Module E, point 1067E-E5, paragraph (c)):
Omit "$375,630", substitute "$376,750".

8. Section 1190 (Indexed and Adjusted Amounts Table—item 40):
After "limit" in column 3 insert "(child aged under 16 years)".

9. Section 1190 (Indexed and Adjusted Amounts Table):
After item 40 insert:

"40A.	Amount that a young person who has reached 16, but is under 22, years of age can earn in the current financial year without ceasing to be a dependent child	Permissible child earnings limit (child aged 16 to 21 years)	[subsection 5(1): definitions of *student child young person*] [subsection 5(4)]".

10. Subsection 1191(1) (CPI Indexation Table—item 28):
After "limit" in column 2 insert "(child aged under 16 years)".

11. Subsection 1191(1) (CPI Indexation Table):
After item 28 insert:

"28A.	Permissible child earnings limit (child aged 16 to 21 years)	1 January	June	highest June quarter before reference quarter (but not earlier than June quarter 1986)	$0.05".

SCHEDULE 5   Subsection 3(2)

AMENDMENT OF THE DATA-MATCHING PROGRAM (ASSISTANCE AND TAX) ACT 1990 IN RELATION TO MATERNITY ALLOWANCE

1. **Subsection 3(1) (definition of *personal assistance*):**
   After subparagraph (c)(xxiva) insert:
   "(xxivaa) maternity allowance;".

SCHEDULE 6   Subsection 3(3)

AMENDMENT OF THE INCOME TAX ASSESSMENT ACT 1936 IN RELATION TO MATERNITY ALLOWANCE

1. Section 24AB:
   After:
   "Job search allowance   24ABL"
insert:
   "Maternity allowance   24ABXAA".

2. After section 24ABX:
   Insert:

Maternity allowance
   "24ABXAA. Payments of maternity allowance under Part 2.17A of the *Social Security Act 1991* are exempt.".

3. Subsection 159J(6) (definition of *separate net income*):
   Insert after "include" in paragraph (a) "maternity allowance,".

————————

SCHEDULE 7   Subsection 3(4)

AMENDMENT OF THE VETERANS' ENTITLEMENTS ACT 1986 IN RELATION TO FAMILY PAYMENT

1. Paragraph 5F(6)(c):

Omit, substitute:

"(c) the person's partner receives a social security pension and also receives family payment in respect of the child at a rate that is more than the minimum family payment rate.

Note: For *minimum family payment rate* see subsection 6(1) of the *Social Security Act 1991.*".

2. Point 41-C5:

Omit subparagraph (c)(ii), substitute:

"(ii) the partner is receiving a social security pension and is also receiving family payment at a rate that is more than the minimum family payment rate and that includes an amount to take account of rent paid or payable by the partner.".

3. Point 41-C5 (Note 1):

After the Note insert:

"Note 1A: For *minimum family payment rate* see subsection 6(1) of the *Social Security Act 1991.*".

4. Point 42-D5:

Omit subparagraph (c)(ii), substitute:

"(ii) the partner is receiving a social security pension and is also receiving family payment at a rate that is more than the minimum family payment rate and that includes an amount to take account of rent paid or payable by the partner.".

5. Point 42-D5 (Note 1):

After the Note insert:

"Note 1A: For *minimum family payment rate* see subsection 6(1) of the *Social Security Act 1991.*".

6. Section 59F:

Repeal, substitute:

Adjustment of pension child add-ons

"59F.(1) This Act has effect as if, on 1 January each year (the ***relevant year***), each pension under 13 child add-on were replaced by the amount worked out using the formula:

SCHEDULE 7—continued

FP under 13 child rate *less* minimum FP child rate

"(2) This Act has effect as if, on 1 January each year (the *relevant year*), each pension 13-15 child add-on were replaced by the amount worked out using the formula:

FP 13-15 child rate *less* minimum FP child rate

"(3) In this section:

FP under 13 child rate is the amount that, on 1 January in the relevant year, is that rate for the purposes of Part 3.16 (Indexation) of the Social Security Act.

FP 13-15 child rate is the amount that, on 1 January in the relevant year, is that rate for the purposes of Part 3.16 (Indexation) of the Social Security Act.

minimum FP child rate is the amount that, on 1 January in the relevant year, is that rate for the purposes of Part 3.16 (Indexation) of the Social Security Act.

Note 1: FP under 13 child rate is the rate of family payment for a child who is under 13 years of age.

Note 2: FP 13-15 child rate is the rate of family payment for a child who has reached 13, but is under 16, years of age.".

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SCHEDULE 8   Subsection 3(5)

AMENDMENTS OF THE CHILD SUPPORT (ASSESSMENT) ACT 1989 IN RELATION TO FAMILY PAYMENT

1. Paragraph 89(4)(b):

Omit the paragraph, substitute:

"(b) family payment for the child at a rate that is more than the minimum family payment rate; or".

2. Subsection 89(4):

Add at the end the following Note:

"Note: For *minimum family payment rate* see subsection 6(1) of the *Social Security Act 1991.*".

3. Subparagraph 91A(1)(b)(ii):

Omit the subparagraph, substitute:

"(ii) family payment for the child at a rate that is more than the minimum family payment rate; or".

4. Subsection 91A(1):

Add at the end the following Note:

"Note: For *minimum family payment rate* see subsection 6(1) of the *Social Security Act 1991.*".

5. Subparagraph 92(4)(a)(ii):

Omit the subparagraph, substitute:

"(ii) family payment for the child at a rate that is more than the minimum family payment rate; or".

6. Subsection 92(4):

Add at the end the following Note:

"Note: For *minimum family payment rate* see subsection 6(1) of the *Social Security Act 1991.*".

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SCHEDULE 9   Subsection 3(6)

AMENDMENT OF THE HEALTH INSURANCE ACT 1973 IN RELATION TO FAMILY PAYMENT

1. Subsection 3(1) (subparagraph (d)(ii) of the definition of *dependant*)**:**

Omit "who is an AFP child (within the meaning of that Act)", substitute "in respect of whom the person is receiving family payment at a rate that is more than the minimum family payment rate".

2. Subsection 3(1) (definition of *dependant*)**:**

Add at the end the following Note:

"Note: For *minimum family payment rate* see subsection 6(1) of the *Social Security Act 1991*.".

3. Subsection 5EA(1A):

Omit.

4. After subsection 5EA(2A):

Insert:

"(2AA) If:

(a) a person was a disadvantaged person immediately before 1 January 1996 because of subsection (2A); and

(b) the person ceased to receive additional family payment immediately before that day only because of the repeal of Part 3.7 of the *Social Security Act 1991*; and

(c) family payment is payable to the person on that day at a rate that is more than the person's minimum standard family payment rate; and

(d) the person or the person's partner is not receiving a pension, benefit or allowance under that Act on that day;

the person is a disadvantaged person in respect of the period beginning on 1 January 1996 and ending on whichever is the earlier of:

(e) the day on which:

(i) family payment ceases to be payable to the person; or

(ii) the rate at which family payment is payable to the person falls to or below the person's minimum standard family payment rate; or

(f) the day on which the person or the person's partner starts to receive a pension, benefit or allowance under that Act.".

5. After subsection 5EA(2B):

Insert:

"**(2BA)** If:

(a) a person was a disadvantaged person immediately before 1 January 1996 because of subsection (2B); and

(b) the person ceased to receive additional family payment immediately before that day only because of the repeal of Part 3.7 of the *Social Security Act 1991*; and

(c) family payment is payable to the person on that day at a rate that is more than the person's minimum standard family payment rate; and

(d) the person or the person's partner is receiving payments under a prescribed educational scheme on that day;

the person is a disadvantaged person in respect of the period beginning on 1 January 1996 and ending on whichever is the earlier of:

(e) the day on which:

(i) family payment ceases to be payable to the person; or

(ii) the rate at which family payment is payable to the person falls to or below the person's minimum standard family payment rate; or

(f) the day on which the person or the person's partner starts to receive a pension, benefit or allowance under that Act.".

6. Subsection 5EA(3):

Omit "or (2B)", substitute ", (2AA), (2B) or (2BA)".

7. After subsection 5EA(5A):

Insert:

"**(5AA)** If:

(a) a person was a disadvantaged person immediately before 1 January 1996 because of subsection (5A); and

(b) the person ceased to receive additional family payment at the AFP maximum payment rate immediately before that day only because of the repeal of Part 3.7 of the *Social Security Act 1991*; and

(c) family payment at the maximum family payment rate is payable to the person on that day; and

(d) the person or the person's partner is not receiving a pension, benefit or allowance under that Act on that day;

the person is a disadvantaged person in respect of the period beginning on 1 January 1996 and ending on whichever is the earlier of:

(e) the day on which family payment at the maximum family payment rate ceases to be payable to the person; or

(f) the day on which the person or the person's partner starts to receive a pension, benefit or allowance under that Act.".

8. After subsection 5EA(5B):

Insert:

"(5BA) If:

(a) a person was a disadvantaged person immediately before 1 January 1996 because of subsection (5B); and

(b) the person ceased to receive additional family payment at the AFP maximum payment rate immediately before that day only because of the repeal of Part 3.7 of the *Social Security Act 1991*; and

(c) family payment at the maximum family payment rate is payable to the person on that day; and

(d) the person or the person's partner is receiving payments under a prescribed educational scheme on that day;

the person is a disadvantaged person in respect of the period beginning on 1 January 1996 and ending on whichever is the earlier of:

(e) the day on which family payment at the maximum family payment rate ceases to be payable to the person; or

(f) the day on which the person or the person's partner starts to receive a pension, benefit or allowance under that Act.".

9. After subsection 5EA(5D):

Insert:

"(5DA) If:

(a) a person was a disadvantaged person immediately before 1 January 1996 because of subsection (5D); and

(b) the person ceased to receive additional family payment at the AFP maximum payment rate immediately before that day only because of the repeal of Part 3.7 of the *Social Security Act 1991*; and

(c) family payment at the maximum family payment rate is payable to the person on that day; and

(d) the person or the person's partner is not receiving a pension, benefit or allowance under that Act on that day;

the person is a disadvantaged person in respect of the period beginning on 1 January 1996 and ending on whichever is the earlier of:

   (e) the day on which family payment at the maximum family payment rate ceases to be payable to the person; or

   (f) the day on which the person or the person's partner starts to receive a pension, benefit or allowance under that Act.".

10. After subsection 5EA(5F):

Insert:

"(5FA) If:

   (a) a person was a disadvantaged person immediately before 1 January 1996 because of subsection (5F); and

   (b) the person ceased to receive additional family payment at the AFP maximum payment rate immediately before that day only because of the repeal of Part 3.7 of the *Social Security Act 1991*; and

   (c) family payment at the maximum family payment rate is payable to the person on that day; and

   (d) the person is receiving payments under a prescribed educational scheme on that day;

the person is a disadvantaged person in respect of the period beginning on 1 January 1996 and ending on whichever is the earlier of:

   (e) the day on which family payment at the maximum family payment rate ceases to be payable to the person; or

   (f) the day on which the person or the person's partner starts to receive a pension, benefit or allowance under that Act.".

11. Subsection 5EA(6):

Insert:

"*family payment* means family payment paid under the *Social Security Act 1991* on or after 1 January 1996.

maximum family payment rate means a rate of family payment:

   (a) to which the family payment income test in Submodule 3 of Module H of the Family Payment Rate Calculator in section 1069 of the *Social Security Act 1991* applies; and

   (b) which has not been reduced under that test.".

SCHEDULE 10   Subsection 3(7)

AMENDMENT OF THE SOCIAL SECURITY (NON-BUDGET
MEASURES) LEGISLATION AMENDMENT ACT 1995

1. Section 15:

Repeal.

[Minister's second reading speech made in—
    House of Representatives on 27 June 1995
    Senate on 22 August 1995]