



Social Security Legislation Amendment (Fair Incentives to Work) Act 2012

No. 144, 2012

**An Act to amend the *Social Security Act 1991*, and
for related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

Contents

1	Short title.....	1
2	Commencement.....	2
3	Schedule(s).....	2
	Schedule 1—Parenting payment transitional arrangements	3
	<i>Social Security Act 1991</i>	3
	Schedule 2—Liquid assets waiting period	4
	<i>Social Security Act 1991</i>	4
	Schedule 3—Termination payments	6
	<i>Social Security Act 1991</i>	6



Social Security Legislation Amendment (Fair Incentives to Work) Act 2012

No. 144, 2012

An Act to amend the *Social Security Act 1991*, and for related purposes

[Assented to 24 October 2012]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Social Security Legislation
Amendment (Fair Incentives to Work) Act 2012*.

Social Security Legislation Amendment (Fair Incentives to Work) Act 2012 No. 144, 2012

1

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	24 October 2012
2. Schedule 1	1 January 2013.	1 January 2013
3. Schedule 2	1 July 2013.	1 July 2013
4. Schedule 3	The day after this Act receives the Royal Assent.	25 October 2012

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Parenting payment transitional arrangements

Social Security Act 1991

1 Subsection 23(1) (definition of *subject to participation requirements*)

Omit “or 500F(1)(f) or (2)(f)”.

2 Subsection 23(1) (note at the end of the definition of *subject to participation requirements*)

Repeal the note.

3 Paragraph 500(1)(a)

Omit “sections 500D and 500F to 500H”, substitute “section 500D”.

4 Subsection 500D(3) (not including the note)

Repeal the subsection.

5 Subdivision AA of Division 1 of Part 2.10

Repeal the Subdivision.

6 Paragraph 729(2)(bc)

Omit “or 500F(1)(f) or (2)(f)”.

7 Application provision

The amendments made by items 3, 4 and 5 apply for the purposes of working out whether a person is qualified for parenting payment for a day that is on or after 1 January 2013.

Schedule 2—Liquid assets waiting period

Social Security Act 1991

1 Subsection 14A(1) (paragraph (a) of the definition of *maximum reserve*)

Omit “\$2,500”, substitute “\$5,000”.

2 Subsection 14A(1) (paragraph (b) of the definition of *maximum reserve*)

Omit “\$5,000”, substitute “\$10,000”.

3 Subsection 14A(1) (note at the end of the definition of *maximum reserve*)

Repeal the note.

4 Subsections 14A(6A) and (6B)

Repeal the subsections.

5 Subsection 14A(7)

Repeal the subsection, substitute:

(7) For the purposes of Division 3A of Part 3 of the Administration Act, a person is *in severe financial hardship* if the value of the person’s liquid assets does not exceed:

- (a) if the person is not a member of a couple and does not have a dependent child—\$2,500; or
- (b) in any other case—\$5,000.

6 Application provision

The amendments made by this Schedule (other than item 5) apply in relation to a person who makes a claim for a social security payment on or after 1 July 2013.

7 Transitional provision

- (1) This item applies to a person if:
-

- (a) the person is subject to a liquid assets test waiting period (the ***original waiting period***) on 1 July 2013 in relation to a claim; and
- (b) the original waiting period started on a day (the ***start day***) before 1 July 2013.

Original waiting period ends on 30 June 2013

- (2) If, assuming the amendments made by this Schedule had been in force on the start day:
 - (a) the person would not have been subject to a liquid assets test waiting period in relation to the claim; or
 - (b) the original waiting period would have ended before 1 July 2013;

then the original waiting period is taken to end on 30 June 2013.

Original waiting period ends on or after 1 July 2013

- (3) If, assuming the amendments made by this Schedule had been in force on the start day, the original waiting period would not have ended before 1 July 2013, then the original waiting period ends on the day worked out under the *Social Security Act 1991* (as amended by this Schedule).

Definition

- (4) In this item:
liquid assets test waiting period means a liquid assets test waiting period under Part 2.11, 2.11A, 2.12 or 2.14 of the *Social Security Act 1991*.

Schedule 3—Termination payments

Social Security Act 1991

1 Point 1064-F14 (definition of *period to which the payment relates*)

Omit “redundancy” (wherever occurring), substitute “termination”.

2 Point 1064-F14 (definition of *termination payment*)

Repeal the definition, substitute:

termination payment includes:

- (a) a redundancy payment; and
- (b) a leave payment relating to a person’s employment that has been terminated; and
- (c) any other payment that is connected with the termination of a person’s employment.

3 Point 1066A-G14 (definition of *period to which the payment relates*)

Omit “redundancy” (wherever occurring), substitute “termination”.

4 Point 1066A-G14 (definition of *termination payment*)

Repeal the definition, substitute:

termination payment includes:

- (a) a redundancy payment; and
- (b) a leave payment relating to a person’s employment that has been terminated; and
- (c) any other payment that is connected with the termination of a person’s employment.

5 Point 1067G-H19 (definition of *period to which the payment relates*)

Omit “redundancy” (wherever occurring), substitute “termination”.

6 Point 1067G-H19 (definition of *termination payment*)

Repeal the definition, substitute:

termination payment includes:

- (a) a redundancy payment; and
- (b) a leave payment relating to a person's employment that has been terminated; and
- (c) any other payment that is connected with the termination of a person's employment.

7 Point 1067L-D15 (definition of *period to which the payment relates*)

Omit "redundancy" (wherever occurring), substitute "termination".

8 Point 1067L-D15 (definition of *termination payment*)

Repeal the definition, substitute:

termination payment includes:

- (a) a redundancy payment; and
- (b) a leave payment relating to a person's employment that has been terminated; and
- (c) any other payment that is connected with the termination of a person's employment.

9 Point 1068-G7AQ (definition of *period to which the payment relates*)

Omit "redundancy" (wherever occurring), substitute "termination".

10 Point 1068-G7AQ (definition of *termination payment*)

Repeal the definition, substitute:

termination payment includes:

- (a) a redundancy payment; and
- (b) a leave payment relating to a person's employment that has been terminated; and
- (c) any other payment that is connected with the termination of a person's employment.

11 Point 1068A-E12 (definition of *period to which the payment relates*)

Omit “redundancy” (wherever occurring), substitute “termination”.

12 Point 1068A-E12 (definition of *termination payment*)

Repeal the definition, substitute:

termination payment includes:

- (a) a redundancy payment; and
- (b) a leave payment relating to a person’s employment that has been terminated; and
- (c) any other payment that is connected with the termination of a person’s employment.

13 Point 1068B-D18 (definition of *period to which the payment relates*)

Omit “redundancy” (wherever occurring), substitute “termination”.

14 Point 1068B-D18 (definition of *termination payment*)

Repeal the definition, substitute:

termination payment includes:

- (a) a redundancy payment; and
- (b) a leave payment relating to a person’s employment that has been terminated; and
- (c) any other payment that is connected with the termination of a person’s employment.

15 Application

The amendments made by this Schedule apply in relation to payments made on or after the commencement of this Schedule.

*[Minister's second reading speech made in—
House of Representatives on 31 May 2012
Senate on 9 October 2012]*

(111/12)

Social Security Legislation Amendment (Fair Incentives to Work) Act 2012 *No. 144, 2012*

9