



Social Security Legislation Amendment (Increased Employment Participation) Act 2014

No. 35, 2014

**An Act to amend the law relating to social security,
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—Job commitment bonus amendments		3
Part 1—Main amendments		3
<i>Social Security Act 1991</i>		3
<i>Social Security (Administration) Act 1999</i>		7
Part 2—Taxation amendments		9
<i>Income Tax Assessment Act 1997</i>		9
Part 3—Application provisions		10
Schedule 2—Relocation assistance amendments		11
<i>Social Security (Administration) Act 1999</i>		11



Social Security Legislation Amendment (Increased Employment Participation) Act 2014

No. 35, 2014

**An Act to amend the law relating to social security,
and for related purposes**

[Assented to 18 June 2014]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Social Security Legislation
Amendment (Increased Employment Participation) Act 2014*.

No. 35, 2014

*Social Security Legislation Amendment (Increased Employment
Participation) Act 2014*

1

2 Commencement

This Act commences on 1 July 2014.

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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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

Part 1—Main amendments

Social Security Act 1991

1 Subsection 23(1)

Insert:

job commitment bonus means job commitment bonus under subsection 861(1) or (3).

2 After Part 2.16

Insert:

Part 2.16A—Job commitment bonus

860 Simplified outline of this Part

A person aged 18 or over and under 31 who receives newstart allowance, or certain youth allowance, for at least 12 months and who then completes 12 months continuous gainful work may qualify for a job commitment bonus of \$2,500.

If the person then completes a further 12 months continuous gainful work, the person may qualify for another job commitment bonus of \$4,000.

Gainful work covers work for financial gain or reward (whether as an employee, a self-employed person or otherwise).

861 Qualification for job commitment bonus

First bonus

- (1) Subject to this section, a person is qualified for a job commitment bonus under this subsection if:
- (a) the person receives, while aged 18 or over and under 31, either of, or a combination of, the following for a continuous period of at least 12 months:
 - (i) newstart allowance;
 - (ii) youth allowance, where neither section 540AA (about new apprentices) nor paragraph 541(1)(a) (about full-time study) applies; and
 - (b) one of the following subparagraphs applies:
 - (i) after 12 months of that continuous period the person starts gainful work in Australia, that continuous period ends while the person is aged 18 or over and under 31 and the person is in gainful work in Australia on the day (the *start day*) after that period ends;
 - (ii) that continuous period ends while the person is aged 18 or over and under 31 and the person starts gainful work in Australia on a day (the *start day*) within 30 days after that period ends; and
 - (c) the person completes a period (the *first work period*) of 12 months of continuous gainful work, where that period begins on the start day; and
 - (d) the person is an Australian resident throughout the first work period.

Note: For *gainful work* see subsection (11) and for *Australian resident* see subsection (12).

- (2) Subsection (1) does not apply in relation to a person if the person receives an income support payment in relation to any day in the first work period.

Second bonus

- (3) Subject to this section, a person is qualified for a job commitment bonus under this subsection if:

- (a) the person is qualified for a job commitment bonus under subsection (1); and
- (b) the person completes a further period (the *second work period*) of 12 months of continuous gainful work, where that further period begins on the day after the end of the first work period; and
- (c) the person is an Australian resident throughout the second work period.

Note: For *gainful work* see subsection (11) and for *Australian resident* see subsection (12).

- (4) Subsection (3) does not apply in relation to a person if the person receives an income support payment in relation to any day in the second work period.

Continuous gainful work

- (5) A period prescribed in an instrument under subsection (6) does not break a period of continuous gainful work of a person.
- (6) The Employment Secretary may, by legislative instrument, prescribe a period for the purposes of subsection (5). Without limiting this subsection, the instrument may:
 - (a) prescribe different periods for different kinds of gainful work; and
 - (b) prescribe different periods for the same kind of gainful work depending on whether that work is full-time, part-time or casual work or is shiftwork.

Limitation—legislative instrument

- (7) Subsection (1) or (3) does not apply in the circumstances prescribed in an instrument under subsection (8).
- (8) The Employment Secretary may, by legislative instrument, prescribe circumstances for the purposes of subsection (7). Without limiting this subsection, the circumstances may relate to the kinds of gainful work to which subsections (1) and (3) do not apply.

Limitation—multiple payments

- (9) In connection with a particular application of paragraph (1)(a) in relation to a person and the continuous period ending, the person cannot qualify for more than one job commitment bonus under subsection (1).
- (10) In connection with a particular application of paragraph (3)(a) in relation to a person, the person cannot qualify for more than one job commitment bonus under subsection (3).

Definitions

- (11) For the purposes of this section, **gainful work** means work for financial gain or reward (whether as an employee, a self-employed person or otherwise).
- (12) For the purposes of this section, **Australian resident** has the meaning given by section 7 (disregarding subparagraph 7(2)(b)(iii)).

862 Amount of job commitment bonus

- (1) The amount of a person's job commitment bonus under subsection 861(1) is \$2,500.
- (2) The amount of a person's job commitment bonus under subsection 861(3) is \$4,000.

863 Non-receipt of social security payment

- (1) This section applies for the purposes of a provision of this or another Act if:
 - (a) the provision provides a benefit (whether the benefit is a pension, benefit, payment, supplement or any other sort of benefit) if a person meets specified criteria; and
 - (b) one of the specified criteria is that the person is receiving a social security payment, or is a recipient of a social security payment.
- (2) For the purposes of the provision, a person is not taken to be receiving a social security payment, or to be a recipient of a social

security payment, merely because the person receives a job commitment bonus.

Social Security (Administration) Act 1999

3 At the end of section 13

Add:

- (6) This section does not apply in relation to a job commitment bonus.

4 After Subdivision FC of Division 1 of Part 3

Insert:

Subdivision FD—Time limits for claims for job commitment bonus

27D Time limit for claim

- (1) Subject to this section, a person's claim for a job commitment bonus must be made within the period (the *initial period*) of 90 days after the person is qualified for the bonus.

Extension in special circumstances

- (2) The claim may be made after the end of the initial period if the Secretary is satisfied that there are special circumstances applying to the person that prevented the person from making the claim within that period. If so, then, subject to subsection (3), the claim must be made within 90 days after the end of that period.

First bonus and second bonus may be claimed together

- (3) If a person is qualified for a job commitment bonus under subsections 861(1) and (3) of the 1991 Act, the person's claim for the bonus under subsection 861(1) of that Act may be made at the same time as the person claims the bonus under subsection 861(3) of that Act.

5 Subsection 37(1)

After "Subject to", insert "this section and".

6 After subsection 37(6)

Insert:

- (6A) The Secretary must determine that a claim for a job commitment bonus is to be granted if the Secretary is satisfied that the claimant is qualified for the bonus.

7 After paragraph 47(1)(hs)

Insert:

(hsa) job commitment bonus; or

8 After section 47B

Insert:

47BA Payment of job commitment bonus

If a person is qualified for a job commitment bonus, the Secretary must pay the bonus to the person in a single lump sum:

- (a) on the day that the Secretary considers to be the earliest day on which it is reasonably practicable for the bonus to be paid; and
- (b) in such manner as the Secretary considers appropriate.

Part 2—Taxation amendments

Income Tax Assessment Act 1997

9 Section 11-15 (table item headed “social security or like payments”)

Before:

matched savings scheme (income management)
payment under the *Social Security Act 1991* 52-10

insert:

job commitment bonus under the *Social Security Act*
1991 52-10

10 After paragraph 52-10(1)(wa)

Insert:

(wb) job commitment bonus under the *Social Security Act 1991*; or

11 After subsection 52-10(1EA)

Insert:

(1EB) Job commitment bonus under the *Social Security Act 1991* is
exempt from income tax.

12 Section 52-40 (after table item 13A)

Insert:

14	Job commitment bonus	Part 2.16A	Not applicable	Not applicable
----	-------------------------	------------	----------------	----------------

Part 3—Application provisions

13 Application provisions

- (1) Paragraph 861(1)(a) of the *Social Security Act 1991*, as inserted by this Act, applies in relation to a person's receipt of newstart allowance or youth allowance before, on or after the commencement of this item.
- (2) Subparagraphs 861(1)(b)(i) and (ii) of the *Social Security Act 1991*, as inserted by this Act, apply in relation to a person's gainful work that starts on or after the commencement of this item.

Schedule 2—Relocation assistance amendments

Social Security (Administration) Act 1999

2 Paragraph 42S(3)(b)

Omit “the person has been paid relocation assistance in relation to the employment to which the voluntary act or misconduct related”, substitute “relocation assistance, in relation to the employment to which the voluntary act or misconduct related, has been paid to or for the benefit of the person”.

3 Paragraph 42S(3B)(a)

Omit “by the Commonwealth to a person”, substitute “by or on behalf of the Commonwealth to or for the benefit of a person”.

*[Minister’s second reading speech made in—
House of Representatives on 27 February 2014
Senate on 19 March 2014]*

(7/14)
