



**Social Security (Administration) (Penalty Amount) (DEEWR)
Determination 2012 (No. 1)**

Social Security (Administration) Act 1999

I, KATE ELLIS, Minister for Employment Participation, make this determination under subsection 42T (1) of the *Social Security (Administration) Act 1999*.

Dated 18th June 2012

Signed

KATE ELLIS
Minister for Employment Participation

1 Name of determination

This determination is the *Social Security (Administration) (Penalty Amount) (DEEWR) Determination 2012 (No. 1)*.

2 Commencement

This determination commences on 1 July 2012.

3 Revocation of previous penalty amount determination

The *Social Security (Administration) (Penalty Amount) (DEEWR) Determination 2009 (No. 1)* is revoked.

4 Definitions

In this determination:

Act means the *Social Security (Administration) Act 1999*.

daily penalty rate—see subsection 7(1) of this determination.

instalment period—see section 43 of the Act.

no show no pay failure— see subsection 42C(1) of the Act.

penalty-affected rate—see subsection 7(3) of this determination

reconnection failure—see subsection 42H(1) of the Act.

reconnection failure period— see subsection 42H(4) of the Act.

weekday means a day that is not a Saturday or Sunday.

5 Reconnection penalty amount

A person's penalty amount for a reconnection failure is the sum of the daily penalty rates for each weekday that falls in the reconnection failure period.

6 No show no pay penalty amount

A person's penalty amount for a no show no pay failure on a particular day is the daily penalty rate.

7 Calculating the daily penalty rate

(1) The **daily penalty rate** for a day in a particular instalment period is the lesser of the amount worked out in accordance with subsection (2) and the amount worked out in accordance with subsection (3).

First method

(2) The first method for working out the daily penalty rate is:

$$\text{daily penalty rate} = 1.4 \times \text{PAR} / (\text{Day}_{\text{inst}})$$

where:

PAR means the person's penalty-affected rate for the instalment period in which the day occurs.

Day_{inst} is the number of days in that instalment period.

Second method

(3) The second method for working out the daily penalty rate is:

$$\text{daily penalty rate} = \text{PAR} / (\text{WD}_{\text{inst}})$$

where:

PAR means the person's penalty-affected rate for the instalment period in which the day occurs.

WD_{inst} is the number of weekdays in that instalment period.

Penalty-affected rate

(4) A person's **penalty-affected rate** for an instalment period is the amount worked out in accordance with the following formula:

$$\text{PPA}_{\text{inst}} - (\text{PA}_{\text{inst}} + \text{PS}_{\text{inst}} + \text{RA}_{\text{inst}} + \text{RAA}_{\text{inst}} + \text{YDS}_{\text{inst}})$$

where:

PPA_{inst} is the amount of participation payment payable to the person for the instalment period in which the day occurs, and includes any supplement or allowance that is part of the rate of that payment for that period.

Section 7

PA_{inst} is the amount of pharmaceutical allowance payable to the person for the instalment period.

PS_{inst} is the amount of pension supplement payable to the person for the instalment period.

RA_{inst} is the amount of rent assistance payable to the person for the instalment period.

RAA_{inst} is the amount of remote area allowance payable to the person for the instalment period.

YDS_{inst} is the amount of youth disability supplement payable to the person for the instalment period.

Note 1 A person's rate of participation payment amount may include an amount for supplements such as language, literacy and numeracy supplement and approved program of work supplement.

Note 2 A person may also receive allowances and supplements, such as mobility allowance, pensioner education supplement, telephone allowance, utilities allowance, and CDEP supplement, that are not part of the person's rate of participation payment. These are not included in the calculation of the person's penalty-affected rate.

Note 3 More than one calculation method and calculated daily amount may apply to a reconnection failure period that exceeds one instalment period in duration.