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Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

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

No. , 2014

(Employment)

**A Bill for an Act to amend the law relating to social
security, and for related purposes**

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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

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Social Security Legislation Amendment (Increased Employment Participation) Bill 2014

No. , 2014

1 **Schedule 1—Job commitment bonus**
2 **amendments**

3 **Part 1—Main amendments**

4 *Social Security Act 1991*

5 **1 Subsection 23(1)**

6 Insert:

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

9 **2 After Part 2.16**

10 Insert:

11 **Part 2.16A—Job commitment bonus**
12

13 **860 Simplified outline of this Part**

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

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

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

1 **861 Qualification for job commitment bonus**

2 *First bonus*

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

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

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

32 *Second bonus*

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

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

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

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

14 *Continuous gainful work*

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

25 *Limitation—legislative instrument*

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

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

3 ***Social Security (Administration) Act 1999***

4 **3 At the end of section 13**

5 Add:

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

7 **4 After Subdivision FC of Division 1 of Part 3**

8 Insert:

9 **Subdivision FD—Time limits for claims for job commitment**
10 **bonus**

11 **27D Time limit for claim**

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

15 *Extension in special circumstances*

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

21 *First bonus and second bonus may be claimed together*

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

27 **5 Subsection 37(1)**

28 After “Subject to”, insert “this section and”.

1 **6 After subsection 37(6)**

2 Insert:

3 (6A) The Secretary must determine that a claim for a job commitment
4 bonus is to be granted if the Secretary is satisfied that the claimant
5 is qualified for the bonus.

6 **7 After paragraph 47(1)(hs)**

7 Insert:

8 (hsa) job commitment bonus; or

9 **8 After section 47B**

10 Insert:

11 **47BA Payment of job commitment bonus**

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

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

1 **Part 2—Taxation amendments**

2 ***Income Tax Assessment Act 1997***

3 **9 Section 11-15 (table item headed “social security or like**
4 **payments”)**

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

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

7 **10 After paragraph 52-10(1)(wa)**

8 Insert:
9 (wb) job commitment bonus under the *Social Security Act 1991*; or

10 **11 After subsection 52-10(1EA)**

11 Insert:
12 (1EB) Job commitment bonus under the *Social Security Act 1991* is
13 exempt from income tax.

14 **12 Section 52-40 (after table item 13A)**

15 Insert:
16

14	Job commitment bonus	Part 2.16A	Not applicable	Not applicable
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1 **Part 3—Application provisions**

2 **13 Application provisions**

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

1 **Schedule 2—Relocation assistance**
2 **amendments**
3

4 ***Social Security (Administration) Act 1999***

5 **1 Paragraph 42S(3)(b)**

6 Omit “12”, substitute “26”.

7 **2 Paragraph 42S(3)(b)**

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

13 **3 Paragraph 42S(3B)(a)**

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

16 **4 Application provision**

17 The amendment made by item 1 applies in relation to a person who
18 becomes unemployed on or after the commencement of that item, where
19 the relocation assistance was paid on or after that commencement as a
20 result of the agreement connected with the payment of that assistance
21 being signed by the person on or after that commencement.