

# Tax Bonuses for Australian Families

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Australian Senate has passed Rudd Government's second bail out package of \$42b by 28-30 votes on 13 February 2009 amid opposition from Liberal and Australian National Party and with the support of independent Senator Nick Xenophon. The Government is providing cash payments to immediately support jobs and strengthen the Australian economy during the severe global recession. The household package includes one-off bonus payments for some Centrelink customers, including families, students and farmers. Governments expect that this package will help to save up to 90,000 jobs and will be non-taxable and are not considered income for social and security purposes. This one off cash bonuses to people and families who are doing it toughest is a key part of Government's Nation Building and Jobs Plan. The key bonuses include:

## Tax Bonus for Working Australians

Government will provide an up-front, lump-sum tax bonus of up to \$900 to around 8.7 million Australian workers earning \$100,000 or less, which will be started from the beginning of April 2009 through Australian Tax Office (ATO). This bonus will be available to Australian residents taxpayers who paid tax in the 2007-08 financial year after taking into account available tax offsets and credits. This will also be subject to income threshold test which will determines that a:

- \$900 bonus will be paid to eligible taxpayers with a taxable income of up to and including \$80,000;
- \$600 bonus will paid to eligible taxpayers with taxable incomes exceeding \$80,000 and up to \$90,000; and
- \$250 bonus will be paid to eligible taxpayers with incomes exceeding \$90,000 up to and including \$100,000

No taxpayers will need to apply for the payment; instead ATO will automatically make the payment after determining eligibility of payments. In order to receive the bonus the taxpayer must lodge their 2007-08 tax by 30 June 2009.

## Single Income Family Bonus

The Single Income Family Bonus is a payment of \$900 per family to provide additional assistance to families with one main income earner, which will be paid to approximately 1.5 million families. It will be paid to recipients of Family Tax Benefit (FBT) Part B between 11 and 20 March 2009. Centrelink will automatically make this payment. If any family were eligible for FBT 'B' on 3 February 2009 the they will receive the Single Income Family Bonus and any family is claiming FBT 'B' as an annual lump sum, they will receive their one-off payments from Centrelink in 2009-10 an 2010-11 after their 2008-09 tax returns have been processed by ATO. Please note that **FBT 'A'** is a payment for low to middle-income families to assist with the cost of raising children, on the other hand **FBT 'B'** is a payment for single parent families and families with one main income.

## Back to School Bonus

The Back to School Bonus is a payment of \$950 per eligible child to assist families with the costs of school for their children and nearly 2.76 million of children aged 4 to 18 in just over 1.5 million

families across Australia will be benefitted from the payment. The family will received the payment if, on 3 February 2009, they were eligible to receive:

- Family Tax Benefit (FBT) A for a child who was aged 4-19 years (inclusive) on 3 February 2009; or
- Carer Payment or Disability Support Pension and were aged less than 19 years old on 3 February 2009

The bonus will be paid between 11 and 20 March 2009.

### **Training and Learning Bonus:**

This is payment of \$950 to support students with the costs of education and training, it will also be paid to some income support customers who are in significant hardship. This payment has two parts:

- The one-off Training and Learning Bonus: will be available for those who receives the following
  - o Youth Allowance
  - o Austudy
  - o ABSTUDY Living Allowance
  - o Sickness Allowance
  - o Special Benefit
  - o FBT 'A' for full time student aged 21-24 year on 3 February 2009
- Temporary Supplement to the Education Entry Payment

### **Famer's Hardship Bonus**

The Government will provide \$20.4 million in 2008-09 for an up-front, one-off bonus payment to farmers and rural-dependent small business owners receiving exceptional circumstances related income support.

A lump-sum payment of \$950 will be made to people who, on 3 February 2009, are receiving:

- Exceptional Circumstances Relief Payment for Farmers
- Exceptional Circumstances Relief Payment for Small Business;
- Interim Income Support for Families
- Interim Income Support for Small Business;
- Transitional Income Support; or
- Farm Help Income Support

If any one is eligible for the Single Income Family Bonus and qualify for other bonus payments, they may receive more than one bonus

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