



New Child Care Package: What every parent needs to know.

From 2 July 2018 the new Child Care Subsidy (CCS) is replacing the two current child care payments of Child Care Rebate (CCR) and Child Care Benefit (CCB).

The Australian Government is investing an additional \$2.5 billion over four years to support the 1.2 million families who use approved child care. The changes are to provide more support for more families and be targeted to those who need it the most.

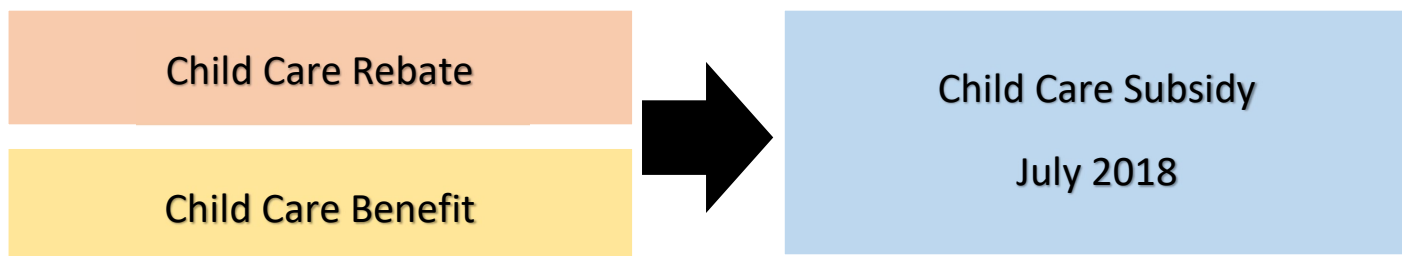
The centrepiece of the package is the Child Care Subsidy (CCS). When the CCS commences in July 2018 it will:

- Replace the Child Care Benefit (CCB) and Child Care Rebate (CCR) with a single, means tested subsidy
- Be paid directly to service providers to be passed onto families
- Be simpler than the current multi-payment system
- Be better targeted and provide more assistance to low and middle income families

About this newsletter

Welcome to the Marshall Michael client information newsletter, your monthly tax and super update keeping you on top of the issues, news and changes affecting you. Should you require further information on any of the topics covered, please contact us via the details below.

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Family's Income

How much CSS you're entitled to use will be based on your family income estimate.

If your family earns	Your CSS percentage will be
\$0 to \$66,958	85%
More than \$66,958 to below \$171,958	Between 85% and 50% The percentage goes down by 1% for every \$3,000 of income your family earns over \$66,958
\$171,958 to below \$251,248	50%
\$251,248 to below \$341,248	Between 50% and 20% The percentage goes down by 1% for every \$3,000 of income your family earns over \$251,248
\$341,248 to below \$351,248	20%
\$351,248 or more	0%

You can still claim CSS even if your family income estimate is \$351,248 or more. If your actual family income is less than \$351,248, we'll pay you the CSS you were entitled to when we balance your payments at the end of the financial year.

Annual Cap

If your family earns \$186,958 or less, you won't have an annual cap on your CCS.

If your family earns more than \$186,958 and under \$351,248 your CCS will be subsidised up to the annual cap of \$10,190 per child each financial year.

Withholding

A percentage of your CCS will be withheld to help reduce the likelihood of any overpayment. At the end of each year a balance up of payments will be done.

Hourly Rate Cap

Your CSS percentage will apply to the lowest of either the:

- Hourly fee you're charged by your child care service
- Hourly rate cap

There's a different hourly rate cap depending on the type of approved child care you use.

If you use	The hourly rate cap for children younger than school age is	The hourly rate cap for school aged children is
Centre Based Day Care: long day care and occasional care	\$11.77	\$10.29
Family Day Care	\$10.90	\$10.90
Outside School Hours Care: before, after and vacation care	\$11.77	\$11.55
In Home Care (per family)	\$25.48	\$25.48

A school aged child is a child who is:

- In school, including being home schooled; or
- 6 years or older

Hours of Activity

If you have a partner, both of your activity levels will be looked at to work out how many hours of subsidised child care you're entitled to each fortnight. To do this the lower of your or your partner's activity level will be used:

If you do recognised activities each fortnight for	We'll subsidise your childcare each fortnight for
Less than 8 hours	0 hours
8 to 16 hours	36 hours
More than 16 to 48 hours	72 hours
More than 48 hours	100 hours

If your family earns \$66,958 or less a year and you do not meet the activity test, you may be able to access 24 hours of subsidised child care per fortnight.

Recognised Activities

Recognised activities can include:

- Paid work including being self employed
- Paid or unpaid leave, including paid or unpaid parental leave
- Doing an approved course of education or study
- Doing training to improve work skills or employment prospects
- Unpaid work in a family business
- Actively looking for work
- Volunteering
- Unpaid work experience or unpaid internship
- Actively setting up a business
- Other activities on a case by case basis

Claiming

If you currently receive child care fee assistance via the CCR and/or CCB you will not automatically be transferred to this new CCS system. You will need to complete a Child Care Subsidy assessment online so Centrelink can check your eligibility and entitlement to CCS.

In Mid-April 2018 all families currently in receipt of the CCR and/or CCB will receive a Centrelink letter about transitioning to the Child Care Subsidy. You will then need to sign into your Centrelink Online Account through MyGov to complete the assessment (via the Complete your Child Care Subsidy Assessment task).

If you currently do not receive child care fee assistance a new claim for CSS can be done from mid-April 2018 using your Centrelink online account via MyGov. If you are eligible, they will start subsidising your child care fees from 2 July 2018.

For more detailed information on CCS please visit the department of Human Services website: <https://www.humanservices.gov.au/individuals/services/centrelink/child-care-subsidy>

This information has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs.