

CHILD SUPPORT

YOUR CHILD SUPPORT OPTIONS

As a parent, you have responsibilities and rights. You also have choices in arranging your child support in a way that works for both parents. In the event that a carer is in receipt of Centrelink benefits, you will be required to obtain an administrative assessment through the Agency.

The Child Support Agency is primarily responsible for the assessment, administration and collection of Child Support. There are a number of ways that child support can be determined including:

- a formula assessment; or
- an agreement between parents (either binding or non-binding) as to what represents a fair contribution by each of them toward the cost of raising their children.

The amount assessed for each parents' contributions under the "formula" is only intended to take into account general household and day-to-day living expenses for children and does not take into account "special" expenses that might relate to your children including daycare costs; private education; orthodontic expenses etc. These costs need to be separately assessed and shared by parents in a way that is fair to all parties and the children.

During the Easy Separation Process, we can assist you to discuss, negotiate and agree on current and future financial arrangements for the children. If you are unable to reach agreement or choose to simply adopt the Child Support amount, you should also be aware of the special circumstances that might apply for a change of assessment.

The 10 reasons

There are 10 reasons for changing your assessment. You can apply under one or more, if appropriate.

- Reason 1: your capacity to pay child support is significantly affected by the high costs of enabling you to spend time or communicate with your children. The costs must be more than five per cent of your adjusted taxable income, which is shown on your assessment notice.
- Reason 2: the costs of maintaining your child are significantly affected because of their special needs eg medical expenses. You can only claim out-of-pocket costs after taking off rebates, refunds or allowances.
- Reason 3: the costs of maintaining the child are significantly affected because the child is being cared for, educated or trained in the way both parents intended - like attending a private school or representative sporting; music tuition etc. These costs must be agreed or have existed prior to separation..
- Reason 4: the child support assessment is unfair because of your child's income, earning capacity, property or financial resources.
- Reason 5: the child support assessment is unfair because you've paid or transferred money, goods or property to your child, the receiving parent or a third party for the child's benefit. This usually relates to a property transfer or a large lump sum payment directly to the other parent or another person for child support (for example, as part of a property settlement).



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- Reason 6: the costs of maintaining your child are significantly affected by the parent or non-parent carer's high child care costs and the child is under 12. The costs must be more than five per cent of your adjusted taxable income if you're a parent, or at least 25 per cent of the assessed costs if you're a carer. The amount is shown on your assessment notice. You can only claim actual costs after taking off rebates, refunds or other assistance.
- Reason 7: your necessary expenses significantly affect your capacity to support your child - for example, you might have high medical costs.
- Reason 8: the child support assessment is unfair because of the income, earning capacity, property or financial resources of one or both parents. You or the other parent can apply on the basis that financial circumstances are not properly recognised in the assessment.
- Reason 9: your capacity to support your child is significantly affected because of your legal duty to maintain another person or child.
- Reason 10: your responsibility to support a resident child significantly reduces your capacity to support your child.

EARNING EXTRA INCOME AFTER SEPARATION

If you earn extra money after separation you can apply for some of the extra income to be excluded from your child support assessment. You don't need to go through a formal change of assessment process.

This means that some of the extra income you earn after separation, for example from second jobs or overtime, can be excluded from your child support assessment for up to three years after separation.

In order to have this extra income excluded you need to show you didn't earn that income before separation and the income would not have been earned in the ordinary course of events.

However, remember:

- income can only be exempt for three years after separation
- excluded income can be no more than 30 per cent of your adjusted taxable income.



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