

IMPORTANT INFORMATION FOR FAMILIES

CHILD CARE TAX REBATE FACT SHEET

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Sharon Bird writes ...

The Child Care Tax Rebate helps families with the cost of child care. The Child Care Tax Rebate covers 50% of out-of-pocket child care expenses for approved child care, with a rebate of up to \$7500 per child per year, for eligible families. This rebate is indexed against inflation.

This fact sheet provides answers to many of the questions that I get asked by local families. I hope you find it useful.

Help with the cost of child care – Your questions answered

Question: Can I get the Child Care Tax Rebate?

You must meet certain requirements in order to be eligible for the Child Care Tax Rebate.

You must have:

- Used approved child care during the year
- Been assessed as eligible for Child Care Benefit
- Worked or had work related commitments at some time during the period. Information on work related commitment is available on the Internet at:
www.familyassist.gov.au

If you have been assessed as eligible for Child Care Benefit, but you receive a zero rate entitlement due to income, you are still eligible for the Child Care Tax Rebate.

Question: How much Child Care Tax Rebate can I be paid?

2008-2009 financial year

If you meet the eligibility criteria, you can get 50% of your out-of-pocket expenses for approved care up to a maximum of \$7500 (indexed) per child per year. Out-of-pocket expenses are the total fees you had to pay for child care expenses for approved care less the amount of Child Care Benefit and JETCCFA (if applicable) you received.

Previous financial years

For the 2006-07 and 2007-08 financial years, the Child Care Tax Rebate is calculated as 30% of out-of-pocket expenses. The Child Care Tax Rebate is capped at \$4211 per child for 2006-07 financial year, and capped at \$4354 per child for the 2007-08 financial year.

ALERT

**\$1000 BONUS
FOR FAMILIES**

The Prime Minister has announced a \$1000 bonus for each eligible child of families who receive Family Tax Benefit A. It will be made from 8 December 2008.

This payment will help families balance their budgets and also promote economic growth.

To find out if you are eligible for Family Tax Benefit A please visit www.centrelink.gov.au.

Families who receive their family payments as a lump sum at the end of the financial year will receive their additional payment when they make their claim. Payments will be tax exempt and not included for income-testing purposes.

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Question: How can I get paid?

From July 2008, the Child Care Tax Rebate can be paid quarterly rather than annually.

If you choose to receive it quarterly, the Family Assistance Office will make your first payment from October 2008. This will happen once your child care service has reported your use/attendance information for July to September 2008.

The first three quarters will be paid based on your provisional Child Care Benefit entitlement.

At the end of the financial year, the Child Care Tax Rebate will be reconciled against your actual income and adjusted for the financial year.

Payment of the last quarter of the Child Care Tax Rebate will be 'held' until Child Care Benefit reconciliation occurs. That is when your tax returns have been lodged and all your child care attendance information has been received. This will then be used in any adjustments as part of your reconciliation.

The Family Assistance Office will pay your Child Care Tax Rebate entitlement directly into your bank account.

If you want to receive your Child Care Tax Rebate as a quarterly payment, you must claim Child Care Benefit as reduced fees, even if you are assessed as eligible for Child Care Benefit but at a zero rate.

The Child Care Tax Rebate is based on your Child Care Benefit entitlement. If you choose to claim Child Care Benefit as a lump sum payment, you will not receive your Child Care Tax Rebate entitlement until the end of that year, once your entitlement has been determined.



It is important that parents are aware of their entitlements and how to claim them.

Question: What about claims for Child Care Tax Rebate for 2006-07 and 2007-08?

For these years, your Child Care Tax Rebate entitlement was an annual payment into your bank account. For 2006-07 the limit was \$4211. For 2007-08 the limit was \$4354.

Question: What if I did not get Child Care Benefit for 2006-07 and 2007-08?

If you have now identified that you are eligible for Child Care Benefit but have not received it, you can lodge a lump sum claim with the Family Assistance Office.

You must do this within 2 years of the end of the financial year for which you are claiming. Once you have received your Child Care Benefit entitlement, you are then eligible for the Child Care Tax Rebate if you used approved care and were working, training or studying.

Question: What about claims prior to 2006-07?

For Child Care Tax Rebate claims prior to 2006-07 please contact the Australian Taxation Office by visiting www.ato.gov.au or by calling 13 28 61.

Question: What about using the Internet?

You can access Centrelink's Online Services. This allows you to view and print the details you may need in order to claim the Child Care Tax Rebate from the Australian Taxation Office for child care costs incurred in 2005-06.

You should go to www.centrelink.gov.au

If you are using Online Services for the first time, you will need to register to get a Customer Access Number (CAN) and password. Once you have registered, you can log on and use all appropriate Online Services.

If you need more information...

Visit www.familyassist.gov.au and follow the links to Child Care Tax Rebate. You can also phone 13 6150* between 8am and 8pm (local time) Monday to Friday. Phone 13 1202* for information in languages other than English. If you would like information about approved child care services and vacancies in your local area, contact the Child Care Access Hotline on 1800 670 305* *Free call unless from a mobile phone.