

Financial Support

for grandparents



This fact sheet has been produced in response to enquiries from grandparents who want to be able to care for grandchildren but struggle financially to provide for them. This fact sheet contains some information about your entitlements to financial support when caring for grandchildren.

There are two main sources of financial support for grandparents who have the responsibility of caring for a grandchild: one source of financial support is from the government and the other source is from the parents of the grandchild.

Support from the government

If you are a grandparent caring for a grandchild you might be eligible for payments from the Australian Government. You do not need court orders or be given legal guardianship of the grandchild to be eligible. In some limited cases you might be eligible for financial assistance from the Victorian Government.

The Australian Government social security payments are administered by Centrelink. There are **income support payments** (previously called pensions) such as the Aged Pension and the Parenting Payment, and a Carer Payment for a grandchild under 16 years with a disability.

There are also **allowances and family assistance**, which includes benefits such as Family Tax Benefit A and B, Large Family Supplement, Double Orphan Pension, Grandparent Child Care Benefit and Carer Allowance.

Qualifications for income support

The income support payments are usually subject to income and assets tests and residency requirements. The Parenting Payment now has minimum work or job searching requirements once the youngest child reaches school age, although there are some exceptions to this work requirement. You should get legal advice about this.

You cannot claim Parenting Payment if the parents of the grandchild are already claiming it.

You cannot claim more than one type of income payment. For example, if you receive the Aged Pension you will not be able to claim a Parenting Payment at the same time.

If you become entitled to receive the Aged Pension and defer claiming it, you might be eligible for a bonus when you do eventually claim an Aged Pension.

Family Tax Benefit

Family Tax Benefit A and B is given to help with the costs of raising children. These benefits are subject to income tests, but not assets tests. You must have the grandchild in your care for at least 35% of the time. You might not be eligible if the grandchild's parent also lives with you, or if the grandchild also earns a certain level of income, or receives an independent benefit.

If the responsibility for the care of a grandchild is shared with another person, for example where the parents of the grandchild are separated and the other person cares for the

child for at least 10% of the time, the Family Tax Benefit might have to be split.

If the parents of the grandchild no longer have the grandchild in their care, they might continue to receive the Family Tax Benefit for a month, but after that, you should ask that it be paid to you if you have the grandchild in your care.

Double Orphan Pension

This is not what it sounds like. It is not necessary for both of the parents of the grandchild to be deceased. If one parent of the grandchild is deceased and the other one cannot be located, or is in prison serving a long sentence, or is on remand charged with a serious offence, or is in a psychiatric hospital or nursing home indefinitely, you might be eligible for this benefit.

There is no income or assets test for the Double Orphan Pension, but the child must be under 16 years, or a full-time dependant student under 21 years, who is not receiving the Youth Allowance.

Carer Allowance

If you receive the Aged Pension and care for a child less than 16 years old with a disability you might be eligible for the Carer Allowance. This benefit is not income or assets tested.

Help with the cost of child care

If you receive a Centrelink income support payment, for example the Aged Pension, you might be eligible for a Grandparent Child Care Benefit for the full cost of approved child care for up to 50 hours per week.



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If you earn a salary or are a self-funded retiree, this benefit has an income test.

Medicines and concessions

You might be eligible to receive a Health Care Card, or a foster child Health Care Card issued in the child's name, which you can use to claim a discount on the costs of payment for medicines and some utilities.

Medical treatment

You can use your own Medicare Card to obtain treatment for a grandchild. The child's name does not have to be stamped on your card. You should make sure that you are named as "the claimant" on the invoice.

Victorian Government

Grandparents who care for a child placed with them by child protection authorities in Victoria might be eligible for a Caregiver reimbursement and for some extra assistance for one-off costs, such as clothing, educational needs, sporting equipment, counselling and therapy.

Financial support from the parents of the grandchild

The Child Support Scheme

The Child Support Agency assesses, collects and forwards child support payments. The purpose of the Child Support Scheme is to ensure that parents provide adequate financial support for their children, instead of taxpayers.

The Child Support Agency collects the money from the paying parents, often directly from their salary, and then forwards it to you. In some cases the Child Support Agency will prohibit a paying parent from leaving Australia if they owe a lot of financial support. Child support can be enforced overseas in some countries.

You might be eligible if you care for a child under 18 years for more than 128 nights of the year. The parents of the grandchild do not have to be in agreement with the child being in your care, you can still be eligible. Your own income is not assessed. What is relevant to the assessment is the amount of time the grandchild spends in your care.

You must apply for an assessment of both of the parents unless one of the parents is deceased, unknown, not residing in Australia or there are other special circumstances.

The amount of child support payable is assessed using a mathematical formula which takes into account: the number of children, the age of the children, whether one parent or both parents are paying, and whether a parent has financial responsibility for children from another relationship.

If the grandchild has special needs, or for some reason you want to vary a child support assessment, you can ask the Child Support Agency to review the way that financial support is assessed. This is confusingly called a "Departure Order".

If you are not satisfied with the assessment made by the Child Support Agency, you can review the decision in the Social Security Appeals Tribunal. If you are not satisfied with the review by the Social Security Appeals Tribunal, you can sometimes appeal to the Federal Court.

Private Child Support Agreement

You can make a private agreement in writing about child support with the paying parents and register the agreement for collection by the Child Support Agency. You should get legal advice before agreeing to this.

When the Child Support Agency accepts the Child Support Agreement, it issues a notional assessment, which is then given to Centrelink. This might affect your entitlement to the Family Tax Benefit.

When a person is entitled to more than the minimum Family Tax Benefit, the amount of the Family Tax Benefit might be reduced where a Child Support Agreement provides for an amount to be paid which is less than the notional assessment.

Child Maintenance Orders from the Family Court

Generally the Child Support Agency has taken over the role of assessing the amount of child support to be paid and to whom the money is paid. You cannot apply to the Family Courts if the Child Support Scheme applies to your situation.

However, there are some circumstances where the Family Courts can still make Orders about the amount of child support or maintenance to be paid. For example, you might need very urgent child maintenance. You might need financial support to continue past the child's 18th birthday because the child is a full-time student or because the child has special needs.

Grandparents can apply to the Family Courts for a Child Maintenance Order. The Family Courts can make an Order for child maintenance even if the child's parents were never married.

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