

## Managing the costs of child care

To make child care more affordable, the federal government offers parents two forms of financial assistance. Here's what you should know about these benefits – and how they're about to change.

Raising a family can be extremely rewarding, but also incredibly expensive. And now, more and more parents are relying on paid child care services so they themselves can continue working – even when their kids are still very young.

Fortunately, Australian families can receive a helping hand from the government to keep up with the rising costs of child care, with two types of financial assistance on offer.

### What benefits are currently available?

#### Child Care Benefit

The Child Care Benefit helps cover the costs to send your kids to approved or registered child care – including day, after-school and vacation care, as well as pre-school and kindergarten. Generally speaking, you can claim for up to 24 hours of care per child per week – but it could be as high as 50 hours, depending on your work and study situation.

The rate is currently at \$4.30 an hour or \$215.00 per week for children under school age, or 85% of this amount if your child is already at school. Depending on your circumstances, you could be eligible for a higher rate; this may either be paid to you or directly to your child care provider.

Your benefit amount is based on your family's annual income, so you'll also need to pass an income test. And since the new "No Jab No Pay" laws were passed in 2016, your child must be fully immunised to be eligible.

#### Child Care Rebate

The Child Care Rebate is an additional payment to help you manage your out-of-pocket child care expenses. It covers up to 50% of these costs, capped at \$7,613 for each child. Since it's not income tested, you can still receive it even if your income is over the threshold for the Child Care Benefit.

You can choose to receive the Rebate fortnightly, quarterly or annually either in your bank account or as a fee reduction from your child care provider. As with the Child Care Benefit, you'll need to have your son or daughter fully immunised.

### How do you apply?

You can apply for the Child Care Benefit and Rebate online via the [Department of Human Services website](#). There's no separate claim form for the Child Care Rebate – when you apply for the Benefit, Centrelink will confirm your eligibility for the Rebate once your child care provider confirms your child's attendance.



### What's changing in 2018?

On 2 July 2018, a single Child Care Subsidy will replace both the Child Care Benefit and the Child Care Rebate. It will be based on household income and the amount of work, study or training you or your partner are currently doing – so you'll need to take an income and activity test to apply.

Depending on your income and your work or study situation, you could receive up to 20–85% of your child care fees. For families with incomes of \$350,000 or more, the subsidy is 0%. Unlike the current Benefit and Rebate, Child Care Subsidy payments will always be made directly to your child care provider. This means you'll only pay the gap between the total fee and your subsidy amount.

Your financial adviser can help you plan and budget for this change before it takes effect. They can also provide advice on Centrelink benefits you may be entitled to, like family tax benefits, parenting payments or rent assistance.

## Speak to us for more information

If you would like to know more, talk to your Count financial adviser. They can give you more detailed information on the best approach for your situation.

### Important information

This document contains general advice. It does not take account of your objectives, financial situation or needs. You should consider talking to a Financial Adviser before making a financial decision. This document has been prepared by Count Financial Limited ABN 19 001 974 625, AFSL 227232, (Count) a wholly-owned, non-guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124. 'Count' and Count Wealth Accountants® are trading names of Count. Count Financial Advisers are authorised representatives of Count. Information in this document is based on current regulatory requirements and laws, as at 25 July 2017, which may be subject to change. While care has been taken in the preparation of this document, no liability is accepted by Count, its related entities, agents and employees for any loss arising from reliance on this document. Count is registered with the Tax Practitioners Board as a Registered Tax (Financial) Adviser. However your authorised representative may not be a Registered Tax Agent, consequently tax considerations are general in nature and do not include an assessment of your overall tax position. You should seek tax advice from a Registered Tax Agent.