



Australian Government

Department of Families,
Housing, Community Services
and Indigenous Affairs

Child Support Scheme Reforms

Fact sheet Nineteen: Alignment of income definitions for child support and Family Tax Benefit (FTB)

From 1 July 2008, the income definitions for child support and Family Tax Benefit (FTB) are more closely aligned.

To calculate child support, the previous Child Support Scheme used a parent's taxable income with net rental property losses and exempt foreign income added back in, plus the gross value of reportable fringe benefits. This was similar to the income definition for FTB, except that the FTB income definition included many tax free pensions and benefits and used the net value of reportable fringe benefits. The treatment of foreign income was also different.

The income definition used to calculate:

- **child support** now includes many tax free pensions and benefits, such as disability support pensions, wife pensions and carer payment. It also includes the following payments from the Department of Veterans' Affairs (DVA):
 - invalidity service pension
 - partner service pension
 - income support supplement
 - Defence Force income support allowance.

Disability pensions paid by DVA will not be included as income for child support but will continue to be included as income for FTB.

It is important to note that only income above the self-support amount impacts on how much child support a parent receives or pays. For more information on how child support will be calculated under the new Scheme see [Fact sheet Nine: The new child support formula](#)

- **FTB** now includes foreign employment income exempt from tax if the income is from a source inside Australia. Foreign income exempt from tax is any foreign income you receive that is not taxable income or a fringe benefit.

Child Care Benefit (CCB) uses the same definition of income as FTB, so the changes to income for FTB from July 2008 also affect CCB.

Please note this fact sheet is for general guidance only. It should not be treated as a complete or authoritative legal statement.

More details about these changes can be found in other fact sheets and on the Child Support Agency website www.csa.gov.au

If you would like to read more information on the Taskforce and how the reforms started, visit the website of the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs www.fahcsia.gov.au

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