

Child Care Information for Families

Your Child Care Payments and the End of Financial Year

Claiming Child Care Benefit & Child Care Rebate – all customers

To claim Child Care Benefit (CCB) or Child Care Rebate (CCR) you need to be assessed and approved for those payments by the Family Assistance Office (FAO). The FAO issues Customer Reference Numbers (CRNs) for you and your child/ren. You must provide the CRN and the date of birth of the parent who is claiming CCB and the CRN and the date of birth of your child/ren to your child care service. With this information, your child care service is able to report your child's attendance information through the financial year and, depending on the payment method you choose, receive Fee Reduction payments on your behalf.

Reduced Fee Customers

When you apply for CCB as a Fee Reduction, the FAO asks you for an estimate of your family's income for the current financial year and if this estimate is acceptable it is used to assess your CCB rate for the current year.

Your CCR payments will be paid to you quarterly (unless you choose to receive this payment annually) based on your CCB entitlement. Only three quarterly payments are made during the year. Your final payment is not made until your actual family income for the financial year is known. Around May each year the FAO will ask you to update your income estimate for the next financial year.

From late July onwards, as families lodge their income tax returns, the FAO gets details of actual income from the Australian Taxation Office (ATO) for the completed financial year. The income reported in your family's tax return will determine the amount of CCB you should have been paid for that year.

If you and/or your partner do not need to lodge a tax return you should tell the FAO. You should not need to do this if you or your partner received a Government Pension, Benefit or Allowance for the full financial year, as you may be eligible for the maximum rate of CCB and the FAO does not need to obtain your income details from the ATO.

The FAO compares the amount of CCB Fee Reductions paid to your child care service on your behalf during the year to the amount you are entitled to receive based on your family's actual income.

If you were paid less than you were entitled to because you over estimated your income, the FAO may provide you with an additional payment, called a CCB top-up. If you were paid too much, you will have to repay the overpaid amount to the FAO. This process is called reconciliation.

During the reconciliation process, your actual CCB entitlement will be used to determine your actual annual CCR entitlement. Any CCR payments made during the year will be deducted from that annual entitlement and may either result in you receiving a top up of your CCR entitlement or you having received too much CCR. Any CCR top-up may be used to recover any CCB overpayments and any CCR overpayment may be recovered from a CCB top-up. CCB and CCR overpayments may also be recovered from tax refunds.

Zero Rate Customers

It is a good idea to claim CCB, even if it is at a 'zero rate' during the year, as this will ensure that your CCR is paid more 'automatically' and you will not have to go through the continual 'Lump Sum Claim' process at the end of each financial year. Please call the FAO on 136150 if you wish to test your eligibility.

If you claimed CCB, but did not receive any fee reduction during the financial year (either because your income estimate was too high, or because you chose the zero rate payment option), your CCB can be reconciled from late July without waiting for the ATO to confirm your income details. Your annual CCR entitlement will also be calculated at this time.

For any part of a financial year where you were not eligible for CCB as a reduced or zero rate, you will need to complete a Lump Sum Claim at the end of the financial year.

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Lump Sum – Full Fee Customers

If you choose to pay full child care fees and then claim CCB as a Lump Sum after the end of the financial year, your CCB and CCR entitlements will be paid by the FAO when you lodge your claim for CCB and your income details have been confirmed by the ATO (if required).

The FAO can only make CCB and CCR payments if you provide the CRN and the date of birth of the parent who is claiming CCB and the CRN and the date of birth of your child/ren to your child care service. With this information, your child care service is able to report your child's attendance information to the FAO for calculation of CCB and CCR.

Rather than lodging a Child Care Benefit Lump Sum Claim after the end of each financial year, you may wish to claim Child Care Benefit as reduced fees (at the zero rate payment option) instead. This way, you can choose to receive the Child Care Rebate as a quarterly payment. If you would like to make a claim for the current financial year please call 13 6150 or claim online at www.centrelink.gov.au

CCB is paid to child care services during the year

Many families choose to have their CCB paid to their child care centre as this reduces their out-of-pocket expenses (also called a gap fee). The centre reports details of the children's attendance during the year and the FAO calculates the amount of CCB paid to the centre on your behalf. The flow of CCB money during the financial year is shown below:

CCB is adjusted directly with families after reconciliation

Child care services make every effort to report all attendances for the financial year before the FAO starts its reconciliation process. Sometimes a service may have to make adjustments to fix any mistakes they find in attendance records for the previous year. If your service reports attendances for the previous financial year after your reconciliation has been completed, the FAO will adjust the CCB with you. CCB cannot be paid to a service on your behalf once the FAO has completed its reconciliation process. This may be a top-up if you did not receive enough CCB or you may have to repay CCB that you should not have received. CCB top-ups don't always result in a payment to your bank account. The FAO may use the amount of a top-up to reduce an overpayment to your family. The FAO sends letters to a family to explain top-ups and overpayments.

You may also need to adjust the gap fee payment with your centre.

JET and Special CCB

JET Child Care Fee Assistance and Special CCB are never paid directly to families before or after reconciliation; the payment always goes to the child care service.

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When will I receive my Child Care Rebate (CCR)?

To receive your CCR payment quarterly you must be assessed as eligible for CCB by fee reduction (not lump sum). You need to supply the Customer Reference Number (CRN) and date of birth for your child and the parent who is claiming CCB to your child care service and the service must formalise your child's/ren's enrolment.

Payment schedule for 2010-2011

The FAO will send a payment to you after the end of each quarter. The payment periods for 2010 – 2011 are as follows:

What period is each quarter? When are CCR payments issued?

Quarter 1 5 July 2010 – 3 October 2010 18 – 29 October 2010

Quarter 2 4 October 2010 – 2 January 2011 17 – 28 January 2011

Quarter 3 3 January 2011 – 3 April 2011 18 – 29 April 2011

Quarter 4 4 April – 3 July 2011 25 July 2011 onwards

Payment for the fourth quarter

Only three quarterly payments are made during the year. Your final payment is not made until your actual family income for the financial year is known, usually when you lodge your tax return. When you have finalised your income details and all attendance has been submitted by the child care service, the reconciliation process begins for CCB and CCR.

If you are not eligible for CCB because your income is too high, you may still receive CCR each quarter. To receive CCR quarterly you must lodge a CCB Reduced Fee claim and, the FAO will check that you are eligible for CCB and approve you as a CCB customer at a zero rate. Once the FAO confirms you are eligible for CCB you will need to provide CRNs and dates of birth for your child and the parent who is registered for CCB with the FAO to your service and the service must formalise your child's/ren's enrolment.

If you are a full fee paying customer during the year, your CCR will be paid by the FAO when you lodge your claim for CCB (Lump Sum payment) with the FAO after the end of the financial year and your CCB eligibility is determined.