Social Security and Other Legislation Amendment (Income Support Bonus) Bill 2012

No.     , 2012

(Education, Employment and Workplace Relations)

A Bill for an Act to amend the law relating to social security, farm household support and taxation, and for related purposes
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A Bill for an Act to amend the law relating to social
security, farm household support and taxation, and
for related purposes

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the Social Security and Other Legislation

2 Commencement

This Act commences on the day this Act receives the Royal
Assent.
3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.
Schedule 1—Amendments

Part 1—Main amendments

Social Security Act 1991

1 Subsection 23(1) Insert:

\[\text{income support bonus}\] means income support bonus under section 919.

2 Subsection 23(1) Insert:

\[\text{income support bonus test day}\] has the meaning given by section 919.

3 After paragraph 23(4AA)(ab) Insert:

(ac) paragraph 919(1)(a);

4 After Part 2.18A Insert:

Part 2.18B—Income support bonus

919 Qualification for an income support bonus

Qualification—social security payments

(1) A person is qualified for an income support bonus on an income support bonus test day if:

(a) the person is receiving one of the following payments in respect of that day:

(i) newstart allowance;

(ii) youth allowance;

(iii) parenting payment;
(iv) sickness allowance;
(v) austudy payment;
(vi) special benefit; and
(b) if the person is receiving parenting payment, austudy payment or special benefit in respect of that day—the person is under pension age on that day.

Note: For pension age see section 23.

Qualification—ABSTUDY payment and farm payments

(2) A person is qualified for an income support bonus on an income support bonus test day if:
   (a) one of the following payments is payable to the person in respect of a period that includes that day:
      (i) a payment under the ABSTUDY Scheme that includes an amount identified as living allowance;
      (ii) exceptional circumstances relief payment under the Farm Household Support Act 1992;
      (iii) transitional farm family payment under the program administered by the Commonwealth known as the Transitional Farm Family Payment program; and
   (b) if a payment under the ABSTUDY Scheme that includes an amount identified as living allowance is payable to the person in respect of a period that includes that day—the person is under pension age on that day.

   Note: For pension age see section 23.

One income support bonus only in respect of an income support bonus test day

(3) A person cannot receive more than one income support bonus under this section in respect of an income support bonus test day, regardless of how many times the person qualifies under this section on that day.

Definition

(4) In this Act:

income support bonus test day means:

(a) 20 March 2013; and
(b) 20 September 2013; and
(c) each later 20 March; and
(d) each later 20 September.

920 Amount of income support bonus

The amount of a person’s income support bonus under section 919 is the amount, specified in column 2 of an item in the following table, that corresponds to the person’s family situation, specified in column 1 of that item, on the income support bonus test day:

<table>
<thead>
<tr>
<th>Item</th>
<th>Column 1: Person’s family situation</th>
<th>Column 2: Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Not a member of a couple</td>
<td>$105</td>
</tr>
<tr>
<td>2</td>
<td>Member of a couple, not covered by item 3, 4 or 5</td>
<td>$87.50</td>
</tr>
<tr>
<td>3</td>
<td>Member of illness separated couple</td>
<td>$105</td>
</tr>
<tr>
<td>4</td>
<td>Member of respite care couple</td>
<td>$105</td>
</tr>
<tr>
<td>5</td>
<td>Partnered (partner in gaol)</td>
<td>$105</td>
</tr>
</tbody>
</table>

Note 1: For *member of a couple, illness separated couple, respite care couple* and *partnered (partner in gaol)* see section 4.

Note 2: The amounts specified are indexed twice a year in line with CPI increases (see sections 1190 to 1194).

921 Non-receipt of social security payment

(1) This section applies for the purposes of a provision of this or another Act if:

(a) the provision provides a benefit (whether the benefit is a pension, benefit, payment, supplement or any other sort of benefit) if a person meets specified criteria; and

(b) one of the specified criteria is that the person is receiving a social security payment, or is a recipient of a social security payment.

(2) For the purposes of the provision, a person is not taken to be receiving a social security payment, or to be a recipient of a social security payment.
security payment, merely because the person receives an income support bonus.

5 Section 1190 (at the end of the table)

Add:

Income support bonus

71. income support bonus income support bonus section 920—table—items 1, 2, 3, 4 and 5

6 Subsection 1191(1) (at the end of the table)

Add:

Income support bonus

43. income support bonus (a) 20 March (a) December highest June or December quarter before reference quarter (but not earlier than December quarter 2012) $0.10
(b) 20 September (b) June

7 At the end of section 1192

Add:

(10) The first indexation of amounts under item 43 of the CPI Indexation Table in subsection 1191(1) is to take place on 20 September 2013.

Social Security (Administration) Act 1999

8 After section 12K

Insert:

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12L  Income support bonus

A claim is not required for an income support bonus.

9  Subsection 47(1) (at the end of the definition of lump sum benefit)

Add:  
; or (m) income support bonus.

10  After section 47DAA

Insert:

47DAB  Payment of income support bonus

If a person is qualified for an income support bonus on an income support bonus test day, the Secretary must pay the bonus to the person in a single lump sum:

(a) on the day that the Secretary considers to be the earliest day on which it is reasonably practicable for the bonus to be paid; and

(b) in such manner as the Secretary considers appropriate.
Part 2—Consequential amendments

Farm Household Support Act 1992

11 After subsection 24A(8)

Insert:

Income support bonus disregarded

(8A) To avoid doubt, in calculating a rate referred to in subsection (1), any income support bonus under the Social Security Act 1991 is to be disregarded.

12 After subsection 24AA(10)

Insert:

Income support bonus disregarded

(10A) To avoid doubt, in calculating a rate referred to in subsection (1), any income support bonus under the Social Security Act 1991 is to be disregarded.

13 At the end of section 24B

Add:

(6) To avoid doubt, in calculating a rate referred to in this section, any income support bonus under the Social Security Act 1991 is to be disregarded.

Income Tax Assessment Act 1997

14 Section 11-15 (table item headed “social security or like payments”)

After:

Household Stimulus Package Act (No. 2) 2009,

payments under the scheme determined under Schedule 4 to the........................................... 52-165

insert:

income support bonus under the Social Security Act 1991 ................................................................. 52-10
income support bonus under the scheme prepared under
Part VII of the Veterans’ Entitlements Act 1986............. 52-65
income support bonus under the scheme determined
under section 258 of the Military Rehabilitation and
Compensation Act 2004 ........................................... 52-114

15 At the end of subsection 52-10(1) (before the note)
Add:
; or (zc) income support bonus under the Social Security Act 1991.

16 Before subsection 52-10(2)
Insert:
(1M) Income support bonus under the Social Security Act 1991 is
exempt from income tax.

17 After paragraph 52-65(1)(b)
Insert:
(c) payments of income support bonus under the scheme
prepared under Part VII (about educating veterans’ children)
of the Veterans’ Entitlements Act 1986; or

18 Before subsection 52-65(2)
Insert:
(1K) Payments of income support bonus under the scheme prepared
under Part VII (about educating veterans’ children) of the
Veterans’ Entitlements Act 1986 are exempt from income tax.

19 Section 52-75 (after table item 5C)
Insert:
5D Income support bonus under Veterans’ Children Education
Scheme Part VII Not applicable

20 Section 52-114 (before table item 17)
Insert:
16A Income support bonus under the education
scheme for certain Exempt Not applicable
Schedule 1 Amendments
Part 2 Consequential amendments

eligible young persons
(section 258)

Social Security Act 1991

21 Paragraph 1231(1AA)(b)
Omit “or farmers hardship bonus”, substitute “, farmers hardship bonus
or income support bonus”.

Social Security (Administration) Act 1999

22 Section 123TC (after paragraph (e) of the definition of
category I welfare payment)
Insert:
(f) income support bonus; or

23 Section 123TC (after paragraph (a) of the definition of
category Q welfare payment)
Insert:
(aa) income support bonus; or

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