Hi

If you or your partner get Family Tax Benefit as fortnightly payments, or Child Care Subsidy, you need to keep your family income Estimate up to date. If you have recently finished a job, or changed jobs, you will probably need to update your family income estimate.

If your family income estimate is not accurate, you might be overpaid or underpaid.

The amount of Family Tax Benefit and Child Care Subsidy you are entitled to is worked out based on your and your partner’s annual adjusted taxable income. It also takes into account your level of care for the child/ren, the ages of the children and any maintenance income you/your partner receive/are entitled to receive. You may also need to update the hours of activity you and your partner do, so we can work out the number of hours of Child Care Subsidy you can get per fortnight.

If you get Child Care Subsidy, or your Family Tax Benefit as a fortnightly payment (or both) then we pay you based on your combined family income estimate for the financial year.

After the end of the financial year, when your tax return is done or if you tell us you don’t need to lodge one, we work out how much you were entitled to. This may mean we need to pay you an additional amount, or you might have a debt if your family income estimate was lower than your adjusted taxable income. This is why it’s important to update your family income estimate whenever your circumstances change.

Adjusted taxable income for Family Tax Benefit and Child Care Subsidy includes:

* taxable income
* reportable fringe benefits
* reportable superannuation contributions
* total net investment losses (which includes net rental property losses)
* foreign income
* tax exempt foreign income
* tax free benefits and pensions
* Pandemic Leave Disaster Payment
* Parental Leave Pay and/or Dad and Partner Pay (as taxable income)
* JobKeeper Payment and/or Coronavirus Supplement (as taxable income).

If you or your partner pay child support, we take this amount away from your total income.

You don't need to include any of the following that you or your partner get:

* Child support or spousal maintenance
* Family Tax Benefit
* the $750 Economic Support Payment
* Child Care Subsidy
* Rent Assistance
* Pharmaceutical Allowance.

If you also get an income support payment, for example Parenting Payment, JobSeeker Payment, Carer Payment, or Disability Support Pension, you must report your fortnightly employment income separately for these payments as well as including them in your estimate of income.

You can update your family income estimate and activity hours at any time during the financial year. You can do this by:

* using your Centrelink online account through myGov
* using the Express Plus Centrelink mobile app
* calling the Families line on 136 150
* visiting a service centre.

For more information go to servicesaustralia.gov.au/familyincomeestimate