

1990-91-92

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

---

Presented and read a first time, 9 September 1992

*(Minister for Family Support)*

## A BILL

FOR

### An Act to amend the *Social Security Act 1991*

The Parliament of Australia enacts:

#### Short title etc.

1.(1) This Act may be cited as the *Social Security Amendment Act (No. 2) 1992*.

5 (2) In this Act, “Principal Act” means the *Social Security Act 1991*<sup>1</sup>.

#### Commencement

2. This Act commences on 1 January 1993, immediately after the commencement of the *Social Security (Family Payment) Amendment Act 1992*.

**Family payments definitions**

3. Section 6 of the Principal Act is amended by inserting in subsection (1) the following definitions:

“**‘first child MBR’** is the amount in column 3 of item 1 of Table B1 in point 1069-B1 of the Family Payment Rate Calculator in section 1069; 5

**‘standard advance period’** means:

- (a) a period that starts on 1 January and ends on the following 30 June; or
- (b) a period that starts on 1 July and ends on the following 31 December;” 10

4. After section 864 of the Principal Act the following sections are inserted:

**Family payment advance**

“864A.(1) A person is qualified for a family payment advance for a standard advance period if: 15

- (a) the person is not an approved care organisation; and
- (b) on the advance assessment day:
  - (i) the person is receiving family payment; and
  - (ii) the person’s maximum basic rate of family payment is equal to or greater than the first child MBR; and 20
- (c) the person has requested the payment of family payment advance for that period.

Note 1: for ‘standard advance period’ see subsection 6(1).

Note 2: for ‘first child MBR’ see subsection 6(1).

Note 3: a person’s maximum basic rate of family payment may fall below the first child MBR if the Secretary has declared, under section 869, that 2 people are to share family payment for a child.

Note 4: if a person receives a family payment advance, the rate of family payment paid to the person will be adjusted (see point 1069-B2 of the Family Payment Rate Calculator in section 1069). If the person’s family payment is cancelled, the rate of family payment paid to the person’s partner may need to be adjusted (see point 1069-B2A of the Family Payment Rate Calculator in section 1069).

“(2) A person’s advance assessment day for a standard advance period is: 25

- (a) the first family payment payday in the standard period; or
- (b) the day on which the person starts to receive family payment if:
  - (i) the person is not receiving family payment on the first family payment payday in the standard advance period; and 30
  - (ii) the person starts to receive family payment during the standard advance period; and

(iii) the person starts to receive family payment because of the birth of a child.

“(3) A person’s request may operate:

(a) for a particular standard advance period; or

5 (b) for a particular standard advance period and all subsequent standard advance periods.

“(4) If paragraph (3)(b) applies to a person’s request, the person may withdraw the request at any time.

10 “(5) A person cannot get more than one family payment advance for a standard advance period.

#### **Amount of family payment advance**

“864B.(1) The amount of family payment advance payable to a person is worked out using the formula:

$$\text{number of family payment paydays} \times \frac{\text{first child MBR}}{2}$$

where:

15 ‘**number of family payment paydays**’ is the number of family payment paydays in the person’s family payment advance period.

Note 1: for ‘first child MBR’ see subsection 6(1).

Note 2: for ‘family payment advance period’ see subsections (2) to (5).

“(2) Subject to subsections (3), (4) and (5), a person’s family payment advance period is the standard advance period.

“(3) If:

20 (a) a person makes a request under section 864A; and

(b) the person’s first available advance payday is not the first family payment payday in the standard advance period;

the person’s family payment advance period starts on the first available advance payday.

25 “(4) The Secretary may determine that a person’s family payment advance period is to end on a particular day that is earlier than the end of the standard advance period if the Secretary is satisfied that the person’s qualification for family payment is likely to cease on that earlier day.

Note: for a person’s qualification for family payment see section 838.

30 “(5) If a determination is made under subsection (4), the person’s family payment advance period ends on the day determined by the Secretary.

“(6) For the purposes of this section, the **first available advance payday**, in relation to a person’s request, is the first family payment

payday after the person's request on which it is practicable to adjust payments under this Act to take account of the request.”.

### Lump sum payable in some circumstances

5. Section 895 of the Principal Act is amended:

- (a) by omitting “If” and substituting “Subject to subsection (2), if”; 5
- (b) by omitting “section” and substituting “subsection”;
- (c) by adding at the end the following subsection:

“(2) If:

- (a) the person has received a family payment advance; and 10
- (b) the person's family payment advance period ends during the bereavement lump sum period;

the amount of the lump sum that would otherwise be payable to the person is to be increased by the amount worked out using the formula: 15

$$\frac{\text{number of non-overlap paydays}}{\text{deceased child component difference}} \times$$

where:

‘number of non-overlap paydays’ is the number of family payment paydays in the bereavement lump sum period that are not in the person's family payment advance period;

‘deceased child component difference’ is the difference between: 20

- (a) the amount that would have been the deceased child component if that component were worked out for a family payment payday that was not in the person's family payment advance period; and
- (b) the deceased child component used for the purposes of subsection (1). 25

Note 1: during the person's family payment advance period, the rate of family payment is reduced (see point 1069-B2 of the Family Payment Rate Calculator in section 1069) and this reduction affects the calculation of the deceased child component for the purposes of subsection (1).

Note 2: for family payment advance see section 864A.

Note 3: for ‘family payment advance period’ see subsections 864B(2) to (5).”.

### Rate of family payment

6. Section 1069 of the Principal Act is amended in the Family Payment Rate Calculator:

- (a) by omitting from point 1069-B1 “A person's” and substituting “Subject to points 1069-B2 and 1069-B2A, a person's”; 30
- (b) by omitting point 1069-B2 and substituting the following points:

*Maximum basic rate—family payment advance to person*

5 “1069-B2. If family payment advance is paid to a person, the person’s maximum basic rate during the person’s family payment advance period is to be reduced by 50% of the amount in column 3 of item 1 of Table B1.

Note 1: family payment advance is payable under section 864A.

Note 2: for ‘family payment advance period’ see subsections 864B(2) to (5).

*Maximum basic rate—family payment advance to partner*

“1069-B2A. If:

(a) a person is a member of a couple at a particular time in a standard advance period; and

10 (b) either:

(i) the person’s partner dies at that time; or

(ii) the person’s partner’s family payment is cancelled at that time; and

(c) family payment advance was paid to the person’s partner during that standard advance period;

15 the person’s maximum basic rate during the partner’s family payment advance period is to be reduced by 50% of the amount in column 3 of item 1 of Table B1.

Note 1: family payment advance is payable under section 864A.

Note 2: for ‘family payment advance period’ see subsections 864B(2) to (5).”.

**Further amendments**

20 7. The Principal Act is further amended as set out in the Schedule.

---

**SCHEDULE**

Section 7

**FURTHER AMENDMENTS****Section 3 (Index):**

Insert the following entries in their respective appropriate alphabetical positions (determined on a letter-by-letter basis):

“family payment advance	864A
family payment advance period	864B(2), (3), (4), (5)
first child MBR	6(1)
standard advance period	6(1)”.

**After paragraph 860(c):**

Insert:

“(ca) family payment advance is or is not payable for a particular period; or

Note: see points 1069-B2 and 1069-B2A of the Family Payment Rate Calculator.”.

**Section 865:**

Repeal the section, substitute:

**Payments to be paid to person or nominee**

“865.(1) Subject to subsection (3), a recipient’s section 863 instalments and section 864A advances are to be paid to that recipient.

“(2) The Secretary may direct that the whole or a part of a recipient’s section 863 instalments and section 864A advances are to be paid to someone else on behalf of the recipient.

“(3) If the Secretary makes a direction under subsection (2), the section 863 instalments and section 864A advances are to be paid in accordance with the direction.”.

**Section 867:**

Omit “of family payment”, substitute “under section 865”.

**NOTE**

1. No. 46, 1991, as amended. For previous amendments, see Nos. 68, 69, 70, 73, 74, 115, 116, 141, 175, 194 and 208, 1991; and Nos. 12, 81, 83 and 94, 1992.

**NOTE ABOUT POINT HEADING**

1. On the day on which section 1069 of the Principal Act is amended by this Act, the heading to point 1069-B1 in section 1069 is altered by adding at the end “—no family payment advance”.





9 780644 408097