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Australian Government

Services Australia

Baby Bonus (BBY) 007-02000000

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Background

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This document outlines information about Baby Bonus (BBY) for children who were born or entrusted to care as part of the adoption process before 1 March 2014.

Government intent

BBY was a payment to help families with the costs of caring for a newborn child or adopted child aged under 16 years.

1 March 2014 changes

On 1 March 2014, BBY was replaced by:

- Newborn Supplement (NBS) and Newborn Upfront Payment (NBU) paid with Family Tax Benefit (FTB) Part A for a newborn or adopted child
- Stillborn Baby Payment (SBP) for a stillborn child

[Parental Leave Pay \(PPL\)](#) can be claimed for a child instead of the above payments.

BBY claims and assessments

In normal circumstances, BBY had to be claimed within 52 weeks of the child's date of birth or entry into care. In limited circumstances, this period could be extended in special circumstances.

Retrospective BBY assessments can no longer be completed on a customer's record as all BBY assessment screens are view only.

For any claims or for reassessment as a result of a review, forward details including the Customer Reference Number (CRN) to Families and Child Care - Business Process Branch via email. See the [Resources](#) page for a link to contact details.

Paying BBY entitlement

Service Officers are to refer to a Smart Centre Families and Child Care Service Support Officer (SSO) for final checks and referral to a National ICT Referral Officer (NIRO).

NIRO action:

Refer details to the ICT Service Desk by submitting **s47E(d)** Support Request.

Then send an email request to **s47E(d)** , including:

- Subject line - Referral for one-off lump sum BBY payment for {child's name}
- Details - Service Desk number, Customer Reference Number (CRN), Amount \$, Brief description of case, Approved by (for example, Authorised Review Officer (ARO), Administrative Appeals Tribunal (AAT))

Payments Level 2 Service eDesk

- Complete the request to pay BBY within 2 business days
- Check if the customer is income managed via the s47E(d)
- If the customer is not income managed, BBY is to be paid into the customer's discretionary account
- Code payment on the s47E(d) screen
- Send email to NIRO to advise that payment has been made

Smart Centre Service Officer to advise customer

- NIRO to refer claim back to the referring Service Officer
- The BBY payment will display on the s47E(d) and s47E(d) screens
- Issue a manual letter s47E(d) to advise the customer of the outcome of their BBY claim

The [Resources](#) page contains intranet links, contact details, rate information and letter text.

References

Policy

[Family Assistance Guide, 1.1.C.90, Care \(FTB\)](#)

[Family Assistance Guide, 2.1.1.15, Verification of a Child's Name & Date of Birth](#)

[Family Assistance Guide, 2.4.1, Eligibility for Baby Bonus](#)

[Family Assistance Guide, 2.4.2, Apportioning of Baby Bonus](#)

[Family Assistance Guide, 3.3, Baby Bonus Rate](#)

[Family Assistance Guide, 4.5.1, Claims for Baby Bonus](#)

Legislation

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Select the version with a Start Date of 1 July 2013 and end date of 28 Feb 2014 for Baby Bonus (BBY) legislation below.

[A New Tax System \(Family Assistance\) \(Administration\) Act 1999](#)

- Part 3, Division 3, Baby bonus
- section 47, Payment of baby bonus

[A New Tax System \(Family Assistance\) Act 1999](#)

- section 36, When an individual is eligible for baby bonus in normal circumstances
- section 37, Generally only one individual eligible for baby bonus in respect of a child
- section 38, What happens if an individual eligible for baby bonus payment dies

Resources

Intranet links

[Level 2 Policy Helpdesk online enquiry](#)

s47E(d) - [Support Request](#)

Contact details

[Families and Child Care - Business Process and Design Branch](#)

Rate matrix



[Baby Bonus \(BBY\) rate matrix](#)

Examples - higher/lower rate of Baby Bonus (BBY)

Table 1

Example	Description
1	<p>Higher rate of BBY</p> <p>Joan is entrusted to Ian's care as part of a formal foster care arrangement when she was 28 weeks of age. As Joan was entrusted to Ian's care more than 26 weeks after her birth, Ian is not eligible to BBY for this child.</p> <p>7 months later, Ian fosters Joan's newborn sister Pam when she is 2 weeks old.</p> <p>As Pam was entrusted to Ian's care within 26 weeks of her birth and Ian has not had any children entrusted to his care within 26 weeks of their birth, Ian will be eligible to receive the full rate of BBY for Pam.</p>
2	<p>Lower rate of BBY</p> <p>Chloe was entrusted to the care of her grandmother Norma when she was 16 weeks of age. As Chloe is the first child Norma has had entrusted to her care, she is eligible to receive the higher rate of BBY for her granddaughter Chloe.</p> <p>2 years later Chloe's brother Ethan is entrusted to the care of Norma when he is 2 weeks of age. As Ethan is the second/subsequent child entrusted to Norma's care within 26 weeks of birth, she is only entitled to the lower rate of BBY for Ethan.</p>

Historical BBY rate information

Table 2

Item	Description
1	<p>Payment of BBY instalments</p> <p>If the rate of the whole BBY is \$5,000, such as, no apportioning:</p> <ul style="list-style-type: none"> • The first instalment is \$846.20 • The subsequent 12 instalment amounts are calculated by subtracting the higher first instalment from the full BBY amount: <ul style="list-style-type: none"> ◦ the remaining BBY ($\\$5,000 - \\846.20) = \$4,153.80 is divided by 12 instalments ◦ the subsequent 12 instalments are each \$346.15 <p>Note: the higher first fortnightly instalment of BBY applies only to claims for children born/entering primary care on or after 1 July 2011.</p> <p>If the rate of the whole BBY entitlement is \$3,000 (that is, no apportioning) and the reduced rate of BBY/NBS for second or subsequent children applies:</p> <ul style="list-style-type: none"> • The first instalment is \$692.40 • The subsequent 12 instalment amounts are calculated by subtracting the higher first instalment from the full BBY amount: <ul style="list-style-type: none"> ◦ the remaining BBY ($\\$3,000 - \\692.40) = \$2,307.60 is divided by 12 instalments ◦ the subsequent 12 instalments are each \$192.30
2	<p>Historical BBY information:</p> <ul style="list-style-type: none"> • Before 1 July 2013, the rate of BBY was a fixed rate and not dependent on other children born or who entered a customer's care

- From 1 July 2012, there has been a pause on the indexing of the BBY rate for 3 years. This means there was no increase in the BBY rate as the last BBY payments were paid up until May 2015. From 1 March 2014, BBY was replaced with Newborn Supplement (NBS) as a component of Family Tax Benefit (FTB) Part A and Newborn Upfront Payment (NBU)
- Before 1 July 2011 BBY was generally paid in 13 equal fortnightly instalments
- Before 1 July 2009, there was no income test for BBY eligibility. Payment was generally made as a lump sum except for claimants under 18. The rate for a child could be apportioned between eligible customers if there was a change of care within 13 weeks of the child's birth (birth mother received the first 20%, the remaining 80% apportioned between all eligible customers based on the period the child was in their care within the 13 weeks)
- Up until 1 July 2008, BBY was indexed in March and September each year
- BBY replaced Maternity Payment from 1 July 2007
- Since 1 July 2004, Maternity Payment replaced Maternity Allowance which was paid for a child born between 1 February 1996 and 30 June 2004. Maternity Allowance was income tested, customers needed to be eligible for Family Tax Benefit (FTB) Part A

Text for ^{s47E(d)} letter

Table 3: Text to include in manual letters to customers to confirm their Baby Bonus (BBY) claim entitlement.

Item	Description
1	<p>BBY claim paid</p> <p>'Your claim for Baby Bonus for {CHILD NAME} has been paid into your nominated account.</p> <p>This decision has been made under A New Tax System (Family Assistance) (Administration) Act 1999.'</p>
2	<p>BBY claim paid - Income Managed customer</p> <p>'Your claim for Baby Bonus for {CHILD NAME} has been paid into your Income Management account. You can ask Centrelink to pay for essential items that you and your child need. Call us on 1800 132 594 to arrange for these payments to be made.</p> <p>This decision has been made under A New Tax System (Family Assistance) (Administration) Act 1999.'</p>
3	<p>BBY claim not paid</p> <p>'Thank you for your claim for Baby Bonus.</p> <p>We cannot pay you Baby Bonus for {CHILD.NAME} as you did not meet all requirements for this payment.</p> <p>This decision has been made under A New Tax System (Family Assistance) (Administration) Act 1999.'</p> <p>Note: the appeal paragraph must also be selected for this^{s47E(d)}</p>