



PRIME MINISTER TREASURER MINISTER FOR FAMILIES

\$950 ONE-OFF CASH BONUS TO SUPPORT JOBS

The Rudd Government today announced five key \$950 one-off payments for low and middle income households and individuals.

The Government is providing these cash payments to immediately support jobs and strengthen the Australian economy during a severe global recession.

These targeted cash bonuses are a key element of the Government's \$42 billion Nation Building and Jobs Plan to support up to 90,000 Australian jobs.

To immediately stimulate the economy in the shortest possible time, five groups of one-off cash bonuses will be paid in March and April 2009.

These five key bonuses include a:

- Tax Bonus for Working Australians of up to \$950 paid to every eligible Australian worker earning \$100,000 or less. This will support up to 8.7 million individuals.
- \$950 Single Income Family Bonus to support 1.5 million families with one main income earner.
- \$950 Farmer's Hardship Bonus paid to around 21,500 drought affected farmers and farm dependent small business owners receiving exceptional circumstances related income support.
- \$950 per child Back to School Bonus to support 2.8 million children from low- and middle-income families.
- \$950 Training and Learning Bonus paid to students and people outside of the workforce returning to study to help with the costs of education and training.

To support jobs in the middle of a severe global recession the Government must stimulate the economy in the most immediate manner possible.

That is why one off cash bonuses to people and families who are doing it toughest are a key part of our Nation Building and Jobs Plan.

These one off cash bonuses reflect the weight of economic authority – including the advice of the International Monetary Fund – that targeted one off payments rather than generalised tax cuts spread over a lengthy period are more likely to be consumed, and thus provide a more effective economic stimulus and provide more support for Australian jobs.

There will be no quick fixes, but the Government is determined to act swiftly and decisively to support Australian households, growth and jobs.

These cash bonuses will stimulate consumption quickly, supporting economic activity and jobs until our nation building initiatives have an impact.

This \$12.7 billion package is a major economic initiative to deal with these extraordinary economic times and is in addition to the Economic Security Strategy that the Rudd Government delivered in December 2008.

Tax Bonus for Working Australians

The Government will provide an up-front, lump-sum tax bonus of up to \$950 to around 8.7 million Australian workers earning \$100,000 or less.

A lump-sum payment of up to \$950 will be made to eligible taxpayers from April 2009. The bonus will be available to Australian resident taxpayers who paid tax in the 2007-08 financial year after taking into account available tax offsets and credits.

The bonus is subject to an income threshold test which determines that a:

- \$950 bonus will be paid to eligible taxpayers with a taxable income of up to and including \$80,000;
- \$650 bonus will be paid to eligible taxpayers with taxable incomes exceeding \$80,000 and up to \$90,000; and
- \$300 bonus will be paid to eligible taxpayers with incomes exceeding \$90,000 up to and including \$100,000.

Taxpayers will not need to apply for the payment. The Australian Taxation Office will automatically make the payment after determining eligibility.

Single Income Family Bonus

The Government's Single-income Family Bonus will provide an up-front, one-off bonus payment of \$950 to approximately 1.5 million families who receive Family Tax Benefit Part B (FTB-B). The bonus is intended to provide additional assistance to families with children that have one main income earner.

The payments, which will be made automatically by Centrelink in the fortnight commencing 11 March 2009, will be non-taxable and will not be counted as income for social security purposes.

The small number of families who claim FTB-B as a lump sum, will receive their one-off payments from Centrelink in 2009-10 and 2010-11 after their 2008-09 tax returns have been processed by the Australian Taxation Office.

Families who are eligible for FTB-B on 3 February 2009 will receive the Single Income Family Bonus.

Farmer's Hardship Bonus

The Government will provide \$20.4 million in 2008-09 for an up-front, one-off bonus payment to farmers and rural-dependent small business owners receiving exceptional circumstances related income support.

A lump-sum payment of \$950 will be made to people who, on 3 February 2009, are receiving:

- Exceptional Circumstances Relief Payment for Farmers;
- Exceptional Circumstances Relief Payment for Small Business;
- Interim Income Support for Farmers;
- Interim Income Support for Small Business;
- Transitional Income Support; or
- Farm Help Income Support.

The payments will be made in the fortnight commencing 24 March 2009, to approximately 21,500 recipients and will provide additional support to groups of Australians who are in hardship. These bonus payments will not be taxable and will not be counted as income for social security purposes.

Back to School Bonus

The Government's \$950 Back to School Bonus will provide a one-off, up-front bonus to be paid to families eligible for Family Tax Benefit Part A (FTB-A) on 3 February 2009 for each eligible child of school age (aged 4 to 18 on 3 February 2009).

This will help meet education costs for the 2009 academic year and is in addition to and separate from the Education Tax Refund.

The Back to School Bonus is expected to help 2.76 million children aged 4 to 18 in just over 1.5 million families across Australia.

Training and Learning Bonus

The Government's \$511 million Training and Learning Bonus provides an up-front, one-off bonus to eligible students to assist with the costs for the 2009 academic year. It also provides a temporary (until June 2010) additional incentive for social security recipients to return to education and training.

The Training and Learning Bonus consists of two categories:

Category 1

- A one-off \$950 bonus for recipients of: Youth Allowance (students and apprentices); Austudy; ABSTUDY and related payments
- The one-off bonus will also be available to recipients of Sickness Allowance and Special Benefit (under age pension age).
- If a student attracts the Government's Back to School Bonus they are not eligible for the one-off \$950 Learning and Training Bonus.

Category 2

- A temporary supplement (from 1 January 2009 to 30 June 2010) to the Education Entry Payment (EdEP) of \$950. This is in addition to the existing EdEP payment of \$208, which provides assistance with the costs of training courses, for income support recipients who are returning to study.
- A temporary extension (from 1 January 2009 to 30 June 2010) of the EdEP to Youth allowance (other); and
- A temporary relaxation (from 1 January 2009 to 30 June 2010) of the requirement that recipients must have been receiving social security payments from 12 months to 1 month.

Around 440,000 students and people returning to study will be paid this one off cash bonus.

CANBERRA

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