

Child support scheme

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There are six formulas used by the Department of Human Services (Child Support) (depending on the circumstances of the family).

Because of the complexities of the formula, it is highly recommended that you don't attempt to do your own calculations pursuant to the formula. For further information and calculations under the child support formulas, please visit: www.humanservices.gov.au/customer/enablers/online-estimators. Should you need to contact the Department of Human Services regarding child support, their phone number is 131 272.

The basic formula

Section 35 of the *Child Support (Assessment) Act 1989* (Cth) sets out the basic formula comprising eight steps as follows:

- Step 1: Work out each parent's child support income
- Step 2: Work out the parents' combined child support income
- Step 3: Work out each parent's income percentage
- Step 4: Work out each parent's percentage of care for the child
- Step 5: Work out each parent's costs percentage for the child
- Step 6: Work out each parent's child support percentage for the child
- Step 7: Work out the costs of the child
- Step 8: The annual rate of child support is calculated using the formula - child support percentage x cost of child

We have provided examples in the follow pages of how the formula works.

Checklist: How the basic formula works

The basic formula:

- adds both parents' incomes after deducting each parent's self support amount;
- determines what percentage of the total income is obtained by each parent;
- works out a percentage of each parent's care of the children using the number of nights the child or children spends with the parent;
- applies the percentage of care against the costs of children, which is not a flat amount (the costs of children increases when the income increases); and
- makes an adjustment from one parent to the other to make up any shortfall.

In relation to percentage care, there will be an effect on child support if there is an order for the children to spend time with a parent. There are five levels of care under section 55C of the *Child Support (Assessment) Act 1989* as follows:

- Below regular care: 0% to less than 14% care of the child
- Regular care: 14% to less than 35% care of the child

- Shared care: 35% to less than 65% care of the child
- Primary care: More than 65% to 86% care of the child
- Above primary care: More than 86% to 100% care of the child

Actual nights and effect on costs percentage

Level of care	Nights per annum with client	Effect of cost
Below regular care (0 to 14% of care)	0-51	Nil
Regular care (14% to less than 35% care)	52-127	24%
Shared Care (35% to 47%)	128 - 175	25% to 49%
Shared care (48% to 52% care)	176 - 189	50%
Shared care (more than 52% to 65%)	190 - 237	51% to 75%
Primary care (65% to 86% care)	238 - 313	76%
Above primary care (86% to 100%)	314 - 365	100%

Any parent currently receiving a Centrelink benefit who has received an administrative assessment should check first with the Department of Human Services before signing a parenting order or parenting plan to see what effect it will have on their assessment.

There may be an impact on the Family Tax Benefit for any parent in receipt of Family Tax Benefit A or B and, in particular, the impact on an income tested pension or benefit should be checked first before signing a parenting order or parenting plan.

Refer to the Costs of Children table set out below from the Department of Human Services, which is updated each year.

Child Support Agreements

There are two types of child support agreements:

1. Binding child support agreement
2. Limited child support agreement

A binding child support agreement must be certified by two independent lawyers certifying that they have each advised their client of their rights and about the effect of the agreement.

A binding child support agreement cannot be terminated unless there is an order setting aside the agreement or the parties enter into a termination agreement. For example, a Court may set aside a binding child support agreement if it concludes that exceptional circumstances have arisen and the child will suffer hardship if the agreement remains in force.

A limited child support agreement need not be certified by independent lawyers.

A limited child support agreement can be set aside if the amount provided for the child support is not "proper or adequate" in the circumstances or because there was a change of circumstances of one of the parties and it would be unjust if the agreement remains in force.

If a limited child support agreement varies more than 15% with a notional assessment from the Department of Human Services, the agreement may be terminated. After three years, either party can terminate a limited child support agreement.

No child support agreement should be entered into (whether limited or binding) without first checking

the Family Tax Benefit implications and the extent to which any proposed agreement differs from a notional child support assessment. You should also obtain advice about which type of child support agreement is suitable to your circumstances.

Table: Costs of children 2021 (if your child support period starts during 2021)

Policy reference: CS Guide 2.4.4 Child Support Income

Table: costs of children 2021 (if your child support period starts during 2021)

Table A - Costs of children 2021: Children aged 12 years and under (apportioned between parents)			
Parents' combined child support income	1 child	2 children	3 or more children
\$0 to \$39,479	17c for each \$1	24c for each \$1	27c for each \$1
\$39,480 to \$78,957	\$6,711 plus 15c for each \$1 over \$39,479	\$9,475 plus 23c for each \$1 over \$39,479	\$10,659 plus 26c for each \$1 over \$39,479
\$78,958 to \$118,436	\$12,633 plus 12c for each \$1 over \$78,957	\$18,555 plus 20c for each \$1 over \$78,957	\$20,923 plus 25c for each \$1 over \$78,957
\$118,437 to \$157,914	\$17,370 plus 10c for each \$1 over \$118,436	\$26,451 plus 18c for each \$1 over \$118,436	\$30,793 plus 24c for each \$1 over \$118,436
\$157,915 to \$197,393	\$21,318 plus 7c for each \$1 over \$157,914	\$33,557 plus 10c for each \$1 over \$157,914	\$40,268 plus 18c for each \$1 over \$157,914
Income over \$197,393	\$24,082	\$37,505	\$47,374
Table B - Costs of children 2021: Children aged 13 years and over (apportioned between parents)			
Parents' combined child support income	1 child	2 children	3 or more children
\$0 to \$39,479	23c for each \$1	29c for each \$1	32c for each \$1
\$39,480 to \$78,957	\$9,080 plus 22c for each \$1 over \$39,479	\$11,449 plus 28c for each \$1 over \$39,479	\$12,633 plus 31c for each \$1 over \$39,479
\$78,958 to \$118,436	\$17,765 plus 12c for each \$1 over \$78,957	\$22,503 plus 25c for each \$1 over \$78,957	\$24,871 plus 30c for each \$1 over \$78,957
\$118,437 to \$157,914	\$22,502 plus 10c for each \$1 over \$118,436	\$32,373 plus 20c for each \$1 over \$118,436	\$36,715 plus 29c for each \$1 over \$118,436
\$157,915 to \$197,393	\$26,450 plus 9c for each \$1 over \$157,914	\$40,269 plus 13c for each \$1 over \$157,914	\$48,164 plus 20c for each \$1 over \$157,914
Income over \$197,393	\$30,003	\$45,401	\$56,060
Table C - Costs of children 2021: Children of mixed ages (apportioned between parents)			
Parents' combined child support income	1 child	2 children	3 or more children
\$0 to \$39,479	N/A	26.5c for each \$1	29.5c for each \$1
\$39,480 to \$78,957	N/A	\$10,462 plus 25.5c for each \$1 over \$39,479	\$11,646 plus 28.5c for each \$1 over \$39,479
\$78,958 to \$118,436	N/A	\$20,529 plus 22.5c for each \$1 over \$78,957	\$22,897 plus 27.5c for each \$1 over \$78,957
\$118,437 to \$157,914	N/A	\$29,412 plus 19c for each \$1 over \$118,436	\$33,754 plus 26.5c for each \$1 over \$118,436

Table C - Costs of children 2021: Children of mixed ages (apportioned between parents)			
\$157,915 to \$197,393	N/A	\$36,913 plus 11.5c for each \$1 over \$157,914	\$44,216 plus 19c for each \$1 over \$157,914
Income over \$197,393	N/A	\$41,453	\$51,717

Table sourced from the Australian Government Child Support Agency's website.

Estimating child support: An example

This example has been calculated using the basic formula.

Relevant facts

Boris and Doris have separated. They have two children - Michael (aged 12) and Gemma (aged 10). Boris' adjusted taxable income is \$150,000. Doris' adjusted taxable income is \$80,000. The children spend four nights each fortnight with Boris plus half of the school holidays (122 nights per annum) and spend the rest of the time living with Doris. Boris does not have any other dependent children.

Step 1: Work out the child support income

	Boris	Doris
Each parent's adjusted taxable income	\$150,000	\$80,000
Deduct self support amount	\$26,319	\$26,319
Deduct relevant dependent child amount	\$0	\$0
Each parent's child support income	\$123,681	\$53,681

Step 2: Work out the combined child support income

	Boris	Doris	Combined Income
Add each parent's child support income	\$123,681	\$53,681	\$177,362

Step 3: Work out each parent's income percentage

	Boris	Doris
Each parent's child support income	\$123,681	\$53,681
Divide each parent's child support income by the combined child support income (\$177,362)	$\frac{\$123,681}{\$177,362}$ 0.6973	$\frac{\$53,681}{\$177,362}$ 0.30266
Multiply by 100	0.6973×100 69.73	0.30266×100 30.27
Each parent's income percentage	69.73%	30.27%

Step 4: Work out each parent's care percentage

	Boris	Doris
Four nights per fortnight plus half the school holidays (equals 122 nights per year)	67%	33%

Step 5: Work out each parent's cost percentage

As Boris has "regular care" (less than 35%):

	Boris	Doris
Boris pays 24% of the cost of the children when they live with him, and Doris is responsible for the balance	24%	76%
The cost percentage is taken from the child support care and costs table		

Step 6: Work out each parent's child support percentage

	Boris	Doris
Each parent's income percentage (as calculated on page 4)	69.73	30.27%
Deduct each parent's cost percentage	24%	76%
Each parent's child support percentage	45.73%	-45.73%

If there is a positive percentage, the parent with the positive percentage **needs to pay child support**.

Step 7: Work out the cost of the children

From Costs of Children Table for 2021 – two children 12 and under:

Parent's combined child support income: \$177,362 2 children

Child	Cost of this child	Calculations
Michael	Income bracket base	\$33,557
	Income bracket additional amount Amount over cutoff: \$19,448.00 Multiplied by income bracket additional percentage: 0.1	19,448 x 0.1 \$ 1,944.80
	Income bracket base + Income bracket additional amount = total cost of children	\$33,557 + \$1,944.80 \$35,501.80 (round up)
	Total cost of the children	\$35,502
	Divided by number of children	\$35,502/2
	Cost of Michael	\$17,751
Child	Cost of this child	Calculations
Gemma	Income bracket base	\$33,557
	Income bracket additional amount Amount over cutoff: \$19,448.00 Multiplied by income bracket additional percentage: 0.1	19,448 x 0.1 \$1,944.80
	Income bracket base + Income bracket additional amount = total cost of children	\$33,557 + \$1,944.80 \$ 35,501.80 (round up)
	Total cost of the children	\$35,502
	Divided by number of children	\$35,502/2
	Cost of Gemma	\$17,751

Step 8: Work out child support payable

Child	Cost of the child	Child support percentage	Estimated amount payable	
Michael	\$17,751	x 45.73%	\$8,118	per year payable by: Boris
Gemma	\$17,751	x 45.73%	\$8,118	per year payable by: Boris
			\$16,236	Total payable by Boris

The estimated annual rate per year can be broken down further as:

Child	Estimated amount week	Estimated amount fortnight	Estimated amount month
Michael	\$156	\$311	\$676
Gemma	\$156	\$311	\$676
Total payable by Boris	\$311	\$622	\$1,353

This example is based on the 2021 Costs of Children Table. You might need to obtain further information or advice from the Department of Human Services if your child support period commenced in a year other than 2021.

To find out more

- Visit the Department of Human Services [website](#).
- To access the 2021 Costs of Children Table, [click here](#).

For more information about family law matters, please contact our [Family Law](#) team.

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