

## Family Law Fact Sheet

### Child Support

Parents can make an application to the Child Support Agency for an assessment for child support. The Child Support Agency makes an administrative assessment for your child support based on a formula prescribed by the *Child Support Assessment Act*.

The basic formula applies to parents with one child support assessment and no other dependent children. If you have other dependent children, then a different formula will apply.

#### How child support is calculated

**Step 1** Calculate your child support

The CSA calculates your adjusted taxable income, which is based on your last completed tax return less an amount for self support

**Step 2** Calculate the combined child support

The combined child support income is calculated by adding together each parent's child support income

**Step 3** Calculate your income percentage

Each parent's income percentage is calculated by dividing the parent's child support income by the combined child support income

**Step 4** Work out your care percentage

The percentage of care you have of your children is based on the number of nights that the children are expected to stay with you over the next 12 months

**Step 5** Work out your cost percentage

A parent's or non-parent carer's cost percentage represents the percentage of a child's costs that the person meets directly through care

**Step 6** Work out your child support

Each parent's child support percentage is worked out by subtracting the parent's cost percentage from their income percentage

**Step 7** Work out the costs of your child

The costs of the child are determined by the parents' incomes, the number of children and the age of the children

**Step 8** Work out the child support amount

If a parent has a positive child support percentage under step 6, then the parent will be liable to pay child support

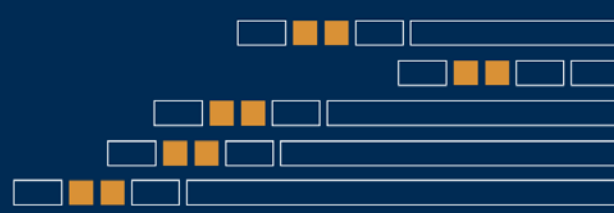
#### Non-agency payments

In some circumstances, you can ask the Child Support Agency to credit payments that are made directly to a payee or to a third party against your child support liability.

You can also ask the Child Support Agency to credit the value of non-cash payments (such as the transfer of property) or the provision of services against your child support liability. These credits are called "non-agency payments".

The Child Support Agency can credit a non-agency payment to your child support debt if both parents intended that the payment was made towards your child support liability.

If there is a disagreement between parents, the Child Support Agency will seek information from both parents and decide if it was, in fact, the intention of both parents that a non-agency payment was to be made.



## Child Support Formula

### Example:

Amy and Edward have three children: Sally, Daisy and Tracey (all 0-12 years)

Edward has regular care (14% to less than 35%)

Edward's current adjusted taxable income is \$60,000 and Amy's is \$40,000.00

- Step 1** Adjusted taxable income – self-support amount = **child support income**  
Edward: \$60,000 - \$18,252 = \$41,748  
Amy: \$40,000 - \$18,252 = \$21,748
- Step 2** **Combined child support income**  
\$41,748 + \$21,748 = \$63,496 CCSI
- Step 3** **Income percentage**  
Edward: \$41,748/\$63,496 = 65.75%  
Amy: \$21,748/\$63,496 = 34.25%
- Step 4** **Percentage of care**  
Edward: 14% to less than 35%  
Amy: Between 65% and 86%
- Step 5** **Cost percentage**  
Edward: 24%  
Amy: 76%
- Step 6** **Child support percentage**  
Edward: 65.75% - 24% = 41.75%  
Amy: 34.25% - 76% = -41.75%
- Step 7** **Costs of children**  
Costs of three = \$11,583  
Costs of each child = \$11,583/3 = \$5,594
- Step 8** **Child support payable**  
Edward: 41.75% x \$5,594 = \$2,335. \$2,335 x 3 = **\$7,005 payable to Amy**  
Amy: has a negative child support percentage so she **does not pay child support to Edward**

### Contact:

**Sarah Minnery**  
Partner  
Accredited Family Law Specialist  
T: +61 7 3002 8714  
F: +61 7 3221 3068  
E: [sarahm@hemhart.com.au](mailto:sarahm@hemhart.com.au)

**Debra Effeney**  
Senior Associate  
Accredited Family Law Specialist  
T: +61 7 3002 8771  
F: +61 7 3221 3068  
E: [debrae@hemhart.com.au](mailto:debrae@hemhart.com.au)