



Australian Government

Department of Human Services

Child Support information for employers

If you employ a person who is required to pay child support, there are some important things you need to know to meet your obligations under Australian law.

1. You need to know

Separation and your workplace

The impact of separation on the workplace can be significant for employers. Possible impacts can include:

- increased absenteeism
- staff turnover
- commercial losses, and
- workplace accidents

As an employer of a separated parent, you can help minimise this impact and play an important role in ensuring the children of separated parents receive the support they need.

You can also refer your employees or contractors to [separated parents](#)^[1] which features helpful information, links to support services, care and child support payment calculators, translated information and much more.

How we contact you and what you need to tell us

A separated parent can choose to have their child support payments automatically deducted from their pay on a regular basis. We may also ask you to deduct child support for us if we are collecting overdue child support.

As an employer, you are legally required to deduct child support payments from an employee or contractor's salary or wages if we ask you to.

We will contact you to confirm you employ the person before we ask you to start making any deductions from their pay. We will not discuss your employee's personal affairs with you.

We will call you or send you a questionnaire asking you to confirm:

- the employee or contractor receives payments from you
- their salary or wage or other payment details
- how and when they are paid, and
- that the details we have for your business are correct

You can confirm the employee's details by completing the Confirmation of a person's employment form^[2].

If you receive the questionnaire, you are legally obliged to complete it. If you do not employ the person, we will need you to confirm this in the questionnaire.

Please fax or mail^[3] your completed reply to us.

If you do employ the person, we will send you a letter that tells you how much child support to deduct. We will also send a copy of the letter to them.

You must tell us if any of the following occurs because this can change your responsibilities to us:

- they leave, or you become aware that they intend to leave your employment
- their pay cycle changes
- their employment status changes, for example, from full time to part time work
- your business changes name or address, or merges with another company, or
- you vary the deductions you send us and also tell us the reason for the variations

If we talk to you over the phone, you should know all our calls are recorded. Recording calls helps resolve factual disputes and make us more accountable. Call recording is not optional. If you do not wish to have your conversations with us recorded, you can contact us^[3] by fax,

postal mail or electronic mail.

Your legal obligations

As an employer, if we ask you to make deductions for your employees or contractors, you have legal obligations under Child Support legislation:

- you must make the deductions we have requested and send them to us by the due date
- you must advise the person in writing how much child support has been deducted each pay period, for example, on their pay slip
- you must keep appropriate records of the child support you deduct and, if the deduction varies from what was requested advise us why
- you must respect the person's privacy and not tell anyone, other than the person in question, that you deduct child support from their pay
- it is illegal to discriminate against any current or potential employee or contractor because of their child support responsibilities. Discrimination includes charging a fee for making child support deductions under a legal obligation
- you cannot make a deduction of child support that leaves the person with a net pay, after tax and child support deductions, of less than the Protected Earnings Amount, unless deductions are made under a notice pursuant to Section 72A^[4]
- you must make sure you deduct the amount we tell you to - you cannot change this even if the person, their solicitor or anyone else asks you to
- payments to us are due no later than the seventh day of the month following deductions

If you don't pay on time, the money will be late getting to the other parent and their children.

If you do not meet your legal obligations, we can impose penalties. For example, if you are late making payments to us, you may incur a late payment penalty. We may not collect these penalties in certain circumstances. For example, if you tell us the delay was beyond your control.

If you do not make deductions when you are required to, or make deductions and do not pay them to us, you may be charged with an offence. A court may impose a fine, imprisonment of up to 12 months, or both. You may also be ordered to pay legal costs.

You are required by law to make child support deductions if we ask you. If your employee or contractor is unhappy with the deductions you are making, ask them to call **131 272** to discuss their deductions with us.

If your employee, contractor or any other representative, including a solicitor, gives instructions to change the amount of the employer deductions, please ask them to call **131 272**.

For more detail about any penalties or offenses that may apply, you can refer to chapter [6.8.1^{\[5\]}](#) or [6.8.2^{\[6\]}](#) of the Child Support Guide.

2. Deductions

Deducting child support payments

We may ask you to deduct child support payments from an employee's or contractor's:

- salary or wages
- commissions
- bonuses or allowances including Parental Leave Pay
- certain retirement or termination payments
- payments for labour under some contracts
- other remuneration such as company directors' fees, or
- independent contractor's payments

There are 2 ways we can ask you to deduct child support from your employees or contractors.

How you need to make deductions will depend on the:

- person's employment status with your workplace, and
- type of letter we send you requesting deductions—either a Notice to Commence Child Support Deductions or Notice to Pay Money Directly to Child Support Registrar Pursuant to Section 72A

Notice to Commence Child Support Deductions

If you receive a Notice to Commence Child Support Deductions, you are legally required to deduct the amount of child support that we request.

How much child support to deduct

The letter you get from us will include a schedule of deductions that tells you how much child support to deduct. You must not change the deduction amount listed in the schedule, even if your employee or contractor, their solicitor or anyone else asks you to.

You can only change it if we tell you so in writing, or if the Protected Earnings Amount^[7] (PEA) applies.

Deductions of child support are made after tax withheld deductions and formal salary sacrificing but before other deductions such as voluntary superannuation, health fund and loan repayments.

Once you make a deduction from your employee's or contractor's pay, you are legally required to pay it to us. There are a number of ways to pay the child support deductions to us.

Protected Earnings Amount

To make sure you do not deduct all of an employee's or contractor's wages for child support payments, the Protected Earnings Amount is exempt from these types of deductions.

Read more about the Protected Earnings Amount when deducting child support^[7] and the current rate.

Guidelines for making deductions

Deductions of child support are made after tax withheld deductions and formal salary sacrificing, but before other deductions such as voluntary superannuation, health fund and loan repayments.

For each person:

1. check the schedule for the amount to be deducted
2. make tax withheld deductions from the person's wages
3. set aside the PEA
4. make the deduction of child support, or as much of the specified amount as can be deducted after the PEA has been set aside and include the details on their pay slip

The remaining pay and the PEA can then be paid to the person or used to make other deductions from their pay.

You can make payments to us at the end of each pay period for example weekly, fortnightly or monthly but you must pay the deductions to us by the seventh day of the next month.

You can also pay all the deductions together. If you are deducting from more than 1 person’s wage, you need to give us a breakdown of the total deductions you pay us along with the report of any deduction variations. If you are registered for [Child Support Business Online Services](#)^[8], you can report the variation online. Otherwise you can let us know by [phone, or by faxing or posting](#)^[9] a [Child Support deductions report for employers form](#)^[10].

Read more about [payment options for child support deductions](#)^[11].

Examples of how to calculate deductions

Example 1 - basic deduction

You have been asked to deduct \$75.00 in child support each week from Joseph’s pay.

The calculation is:

Step	Amount	Total
Gross weekly pay		\$500.00
Minus tax withheld amount each week	\$37.00	\$463.00
Set aside the PEA	\$364.88	\$98.12
Deduct child support	\$75.00	\$23.12
Add PEA	\$364.88	\$388.00

Joseph’s net weekly pay is \$388.00.

Tax amounts quoted are examples only. Refer to the [Australian Taxation Office](#)^[12] for rates applicable to your employee.

Other voluntary deductions such as Joseph’s self contribution to superannuation and loan repayments can be made from his \$388.00 net weekly pay.

You must send Joseph’s deduction of \$75.00 to us by the seventh day of the next month. For example, if Joseph’s pay day is on 4 August, deductions for this pay should be received by us by 7 September. You can send the deductions to us at the end of each pay period if it is more convenient, but the full amount must be received by the seventh of each month.

If Joseph's employment ended and his final wages were being paid, you would need to deduct only for the last pay period he was employed. This would be calculated as a basic deduction.

If one of your contractors or an employee who pays child support is terminated or resigns, you must notify us as soon as possible, preferably before their final payment is made.

Example 2 - unable to deduct full amount because of PEA

Ellie's employer has been asked to deduct \$75.00 in child support each week from her pay.

The calculation is:

Step	Amount	Total
Gross weekly pay		\$410.00
Minus tax withheld amount each week	\$11.00	\$399.00
Set aside the PEA	\$364.88	\$34.12
Deduct child support	\$34.12, as deducting \$75.00 would leave Ellie with less than the PEA of \$364.88	\$0.00
Add PEA	\$364.88	\$364.88

Ellie's net weekly pay is \$364.88.

Tax amounts quoted are examples only. Refer to the [Australian Taxation Office](#)^[12] for rates applicable to your employee.

In this case, you cannot deduct the full amount because it would leave Ellie with less than the PEA.

You must send the varied employer deduction amount of \$34.12 to us by the seventh day of the next month. You will need to let us know reason for the variation. If you're registered for [Child Support Business Online Services](#)^[8] you can report the variation online. Otherwise you can let us know by [phone, posting or faxing](#)^[9] a [Child Support deductions report for employers form](#)^[10].

Example 3 - deductions during paid periods of leave

Ben's employer has been asked to deduct \$30.00 in child support each week from his pay for remittance to us.

Ben is going on paid holiday leave for 3 weeks and has arranged with his employer to be paid in advance with this week's pay.

The calculation is:

Step	Amount	Total
Total pay received		\$1,260.00
Tax withheld for 3 weekly payments	\$27.00	\$1,233.00
Weekly PEA x 3 (\$364.88 x 3)	\$1,094.64	\$138.36
Deduct child support (3 x \$30)	\$90.00	\$48.36
Plus PEA	\$1,094.64	\$1,083.00

Ben's net pay is \$1,143.00.

Tax amounts quoted are examples only. Refer to the [Australian Taxation Office](#)^[12] for rates applicable to your employee.

In this case, the employer is required to deduct \$90.00 from Ben's pay and notify us of the variation.

If Ben was:

- cashing out leave, you do not need to deduct beyond the amount requested for that pay period or pay date as deductions are specific to that period
- getting paid his annual or long service leave in advance, you would also take out child support deductions from his advance leave payments for each specific pay period or pay date, or
- taking leave without pay, you must notify us of the period he intends to take as leave without pay. If you are registered with [Child Support Business Online Services](#)^[8], you can provide this information to us online. Otherwise you can let us know by [phone, posting or faxing](#)^[9] a letter to us with this advice.

Example 4 - deductions for a part time employee

Johanna's employer has been asked to deduct \$40.00 in child support each fortnight from her pay.

The calculation is:

Step	Amount	Total
Gross fortnightly pay		\$498.00
Minus tax withheld amount each fortnight	\$0.00	\$498.00
Set aside the PEA available (2018 fortnightly rate \$729.76)	\$498.00	\$0.00
Deduct child support	\$0.00	as there is not the \$40.00 requested available to deduct after PEA
Add PEA available	\$498.00	\$498.00

Johanna's net fortnightly pay is \$498.00.

Tax amounts quoted are examples only. Refer to the [Australian Taxation Office^{\[12\]}](#) for rates applicable to your employee.

In this case, you cannot make the employer deduction because her net pay falls below the PEA. You are required to notify us of the variation.

Example 5 - deductions under a salary sacrifice arrangement

A salary sacrifice arrangement is when an employee agrees to give up part of their salary or wages in return for employer provided benefits of a similar value.

Susan has a remuneration package valued at \$2,000.00 per fortnight, with \$900.00 of the \$2,000.00 being salary sacrificed for Susan's mortgage, car lease, health insurance and school fees. You are asked to deduct \$398.00 in child support each fortnightly pay.

Amount total remaining

Step	Amount	Total
Gross fortnightly pay		\$2000.00

Step	Amount	Total
Less salary sacrifice	\$900.00	\$1,100.00
Less tax withheld	\$96.00	\$1,004.00
Set aside the PEA of \$729.76 per fortnight	\$729.76	\$274.24
Deduct child support	\$274.24	\$0.00
Plus PEA	\$729.76	\$729.76
Net pay to Susan		\$729.76

Tax amounts quoted are examples only. Refer to the [Australian Taxation Office](#)^[12] for rates applicable to your employee.

In this example, the full amount of \$398.00 cannot be deducted as it would leave Susan with less than the PEA of \$729.76 for that fortnightly pay. Instead, you must deduct the amount of \$274.24 and pay it to us. You must tell us the reason for the variation either by telling us online, by phone, fax or posting^[9] a [Child Support deductions report for employers form](#)^[10].

As you are unable to deduct the full \$398.00 in child support, we would contact Susan directly to arrange for payment of the outstanding amount.

If a salary sacrificing arrangement is in place, the employee's obligations in relation to child support deductions remain. You must continue to deduct the requested amount of child support, unless doing so will result in your employee having less than the PEA left in their pay.

If an employee does not have a formal salary packaging arrangement and has requested after tax deductions from their pay for a health fund or social club, you need to deduct child support before these after tax deductions. The employee can still have these other deductions taken after their child support obligation has been met.

If your employee or contractor has questions about whether their salary sacrificing arrangements or other reportable fringe benefits will affect their child support, ask them to [call us](#)^[9] and we will give them accurate advice that is specific to their situation.

Deductions under a notice pursuant to section 72A

If you get a section 72A notice, you are legally required to deduct the amount of child support we ask you to.

How much child support to deduct

The section 72A notice will tell you the amount of money you need to pay us. It may ask you to pay:

- a lump sum amount
- periodic amounts or
- a cents in the dollar amount

You need to follow the instructions in the notice until a certain amount of money has been paid. We'll tell you what the amount is.

You need to do what the section 72A notice tells you. Even if you don't currently owe your employee or contractor any money there may be other instructions. If you owe the child support recipient money in the future, you must deduct the money the next time you pay them.

Deductions under a section 72A

For each deduction you make under a section 72A notice:

1. check the notice for the amount you need to deduct
2. deduct any tax from the gross payment, excluding GST, before child support deductions
3. deduct the lump sum amount requested or, if the notice asks for a cents in the dollar amount, work out the deduction on the person's gross payment, excluding GST
4. send the deductions to us within 7 days
5. the remaining amount can be paid to the person or used to make other deductions

You cannot change the amount we ask you to deduct unless we send you:

If you get more than 1 notice

You may get more than 1 notice from us, such as separate notices from Centrelink and Child Support. You should comply with the notices in the order you get them.

Call us if you get a notice from us requesting child support, and:

- a notice from someone else requesting money, or
- a court order requesting funds for child support or any other reason

If you are deducting from more than 1 person's wage, you need to give us:

- a breakdown of the total deductions you pay us, and
- the report of any deduction variations

If you are registered for Child Support Business Online Services^[8] you can report the variation online. Otherwise let us know by phone^[13] or by posting or faxing a Child Support Deduction Report^[10].

We prefer you to pay Section 72A Notices via Bpay. If you are only deducting for one person and are paying by cheque, use the Section 72A Notice – remittance slip for employers form^[14].

Examples of how to calculate deductions

Tax amounts quoted are examples only. Refer to the Australian Taxation Office^[12] for rates applicable to your employee.

Example 1 - cents in the dollar amount deductions

In this example the Section 72A notice requires you to deduct 15 cents for every dollar.

The person is paid \$450 excluding GST.

Payment and deductions	Total payment	Tax deducted	Deducted child support \$450.00 x \$0.15	Pay remaining
Amount	\$450.00	\$24.00	\$67.50	\$358.50

We must calculate Child support using the gross payment excluding GST.

If there are not enough funds to cover the required child support and tax deductions, you should deduct the full amount of tax first.

Tax amounts quoted are examples only. Refer to the [Australian Taxation Office](#)^[12] for rates applicable to your employee.

You need to pay us within 7 days of making the deductions.

Example 2 - periodic amount deductions

Jamie usually gets payments of between \$300 and \$500 excluding GST each week for work done.

The Section 72A notice requires you to deduct \$110 per week.

In this example, Jamie:

- earns \$500 in the first week
- earns \$450 in the second week, and
- earns \$90 in the third week

Week 1

Payment and deduction	Total payment	Tax deducted	Deducted child support	Pay remaining
Amount	\$500	\$38	\$110	\$352

Week 2

Payment and deduction	Total payment	Tax deducted	Deducted child support	Pay remaining
Amount	\$450	\$24	\$110	\$316

Week 3

Payment and deduction	Total payment	Tax deducted	Deducted child support	Pay remaining

Amount	\$90	\$0	\$90	\$0
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In Week 3, because you can't deduct the full \$110, you only deduct the \$90 paid.

If there are not enough funds to cover the required child support and tax deductions, you should deduct the full amount of tax first.

Tax amounts quoted are examples only. Refer to the [Australian Taxation Office^{\[12\]}](#) for rates applicable to your employee.

Example 3 - lump sum termination payment deductions

Alex's weekly salary is \$600. Alex resigns and cashes out 5 weeks of annual leave.

We send a Section 72A notice for a lump sum amount of \$962.

Payment and deduction	Total annual leave payment	Deducted child support	Pay remaining
Amount	\$3,000	\$962	\$2,038

You need to pay \$962 to us within 7 days of making the deductions.

You need to deduct tax from the gross payments. You should deduct the tax before child support. Tax deduction requirements may vary for lump sum payments. We didn't include them in this example.

Read more [Child Support information for employers^{\[15\]}](#).

Payment options for child support deductions

Making payments to us at the same time the deduction is made will ensure a more timely transfer of funds to the other parent for your employee's or contractor's children.

Payment option	Details	You will need:
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BPAY®	<p>A convenient bill payment service that lets you make a payment from your nominated bank to us through phone or internet banking. BPAY payments can be made 24 hours a day, 7 days a week.</p> <p>®Registered to BPAY Pty Ltd ABN 69 079 137 518</p>	<ul style="list-style-type: none">• Biller Code: 201509• Reference Number: your 16-digit payment reference number, no spaces <p>You can find these details on your letter attached to the schedule of deductions.</p>
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Payment option	Details	You will need:
Direct credit	You can transfer funds from your nominated bank account to our bank account.	<p>You must enter your 16-digit payment reference number no spaces in the 'payment reference' field. This ensures your payment is allocated correctly and without delay. You will also need:</p> <p>Account Name: Department of Human Services Child Support Account Number: 116755 BSB Number: 092009</p>
BillPay	<p>You can make a payment at any branch of Australia Post using the BillPay facility.</p> <p>The date you pay is treated as the date we receive the payment. The post office will always give you a receipt for cash payments and, if you request, a receipt for payments by cheque.</p>	<p>You will need a payment advice slip, located in your Employer Payment Advice book, to make these payments. Australia Post will give you a receipt that you need to keep for your records.</p>

Payment option	Details	You will need:
Credit or debit card	<p>You can pay child support using the Government EasyPay system using a Visa or MasterCard credit or debit card. Payments can be made 24 hours a day, 7 days a week online or over the phone. You will incur a card payment fee to use this service. Details about the fee are available on the Government EasyPay website. Before using this service, you should consider what is the most appropriate and cost effective payment option for you to meet your child support obligations. You should also seek financial support if you are unsure of the best option for your current situation.</p>	<p>To make a payment you will need:</p> <ul style="list-style-type: none"> • a current Visa or MasterCard credit or debit card • your payment reference number, which can be found in your Employer Payment Advice book <p>Then:</p> <ul style="list-style-type: none"> • log on to Government EasyPay^[16] to make a payment online, or • call 1300 676 420 to make a phone payment, and • review the terms and conditions^[17]

Payment option	Details	You will need:
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Mail	You can send a cheque or money order to us.	
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You will need to make each cheque or money order payable to the 'Department of Human Services – Child Support'. Attach the payment advice slip, from your Employer Payment Advice book, to make these payments. This ensures your payment is allocated correctly and without delay.

Send mail payments to:

**Child Support
Employer
Services
PO Box 9815
Melbourne VIC
3001**

If you need to include information about the breakup of the employer deductions for more than one employee, you can still use BPAY, direct credit or BillPay. You must report all details directly to us. You can do this:

1. online if you are registered for [Child Support Business Online Services](#)^[8]
2. by phone on **131 272** - call charges may apply
3. or by faxing or mailing your [Child Support Deductions Report](#)^[10] to us

3. Resources

Child Support employer calculator

The Child Support employer calculator^[18] will help you work out your employee's or contractor's net pay, taking into account child support payments, the PEA and basic tax liability.

The Child Support Guide

The Department of Social Services Child Support Guide^[19] outlines the administration of the Child Support Scheme.



This information is a general guide to our payments and services from **www.humanservices.gov.au**. It is based on user selections from the 'customise and print' option. It may not include all of the information on this topic.

This information was printed on 27 October 2018 from **<https://www.humanservices.gov.au/organisations/business/services/child-support/child-support-information-employers>**

It is subject to the website disclaimer at

<https://www.humanservices.gov.au/individuals/site-notices>

Link references

1. <https://www.humanservices.gov.au/customer/themes/child-support-and-separated-parents>
2. <https://www.humanservices.gov.au/business/forms/cs4261>
3. <https://www.humanservices.gov.au/business/contact-us/>
4. <https://www.humanservices.gov.au/organisations/business/enablers/deductions-under-notice-pursuant-section-72a/26431>
5. <http://guides.dss.gov.au/child-support-guide/6/8/1>
6. <http://guides.dss.gov.au/child-support-guide/6/8/2>
7. <https://www.humanservices.gov.au/organisations/business/enablers/protected-earnings-amount-when-deducting-child-support>

8. <https://www.humanservices.gov.au/organisations/business/services/child-support/child-support-business-online-services>
9. <https://www.humanservices.gov.au/organisations/business/business-employer-contact-information#csemployers>
10. <https://www.humanservices.gov.au/organisations/business/forms/cs4964>
11. <https://www.humanservices.gov.au/organisations/business/enablers/payment-options-child-support-deductions/26426>
12. <https://www.ato.gov.au/rates/tax-tables/>
13. <https://www.humanservices.gov.au/individuals/contact-us/phone-us#childsupport>
14. <https://www.humanservices.gov.au/organisations/business/forms/cs3211>
15. <https://www.humanservices.gov.au/organisations/business/services/child-support/child-support-information-employers>
16. <https://www.optusmartpay.com/governmenteasypay-csa/>
17. <https://www.humanservices.gov.au/individuals/enablers/child-support-government-easypay-terms-and-conditions/28046>
18. <https://processing.csa.gov.au/calculator/employer.aspx#basic>
19. <http://guides.dss.gov.au/child-support-guide>