

INCOME REPORTING

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What are the changes to income reporting and assessment from 7 December 2020?



Changes introduced from 7 December 2020 affect reporting and assessment of employment income for a range of Centrelink payments. These changes apply to people who have income from employment, or whose partner has income from employment, who receive:

- [ABSTUDY](#)
- [Age Pension](#)
- [Austudy](#)
- [Carer Payment](#)
- [Disability Support Pension](#)
- [Farm Household Allowance](#)
- [JobSeeker Payment](#)
- [Partner Allowance](#)
- [Parenting Payment](#) single and partnered
- [Special Benefit](#)
- [Widow Allowance](#)
- [Youth Allowance](#).

Under both the previous system and the new system, people receiving these payments are generally required to report their own or their partner's gross employment income to Centrelink fortnightly, on specified days. Centrelink then assesses the person's income-tested entitlement for each of these fortnights or 'reporting periods'.

Under the previous system in place until 7 December 2020, people were required to report the gross amount of their own or their partner's employment earnings for hours worked in their reporting period, even if these wages had not yet been paid. Centrelink then assessed those earnings under the income test for that fortnight's instalment – the assessment taking into account paid as well as unpaid earnings for days worked in the reporting period.

The changes from 7 December 2020 mean that if you receive one of these payments and you or your partner has been working, your earnings will only be assessed by Centrelink once they have been paid by the employer. If you or your partner worked in your reporting period but the employer has not yet processed your wages, you do not need to report the income to Centrelink.

These earnings will not affect your Centrelink payment for that fortnight. The employment income will affect your Centrelink payment once the employer has paid the wages.

How do I report income to Centrelink?



Centrelink will notify you of your fortnightly reporting days and your 'reporting periods'.

You can report your income and changes to your circumstances online or by phone. For detailed information about reporting options see [here](#).

It is important to make sure you report the gross amount of employment income paid in your reporting period. This is the amount paid by your employer before tax and other deductions. You should be able to find this information on your or your partner's payslip/s.

What if I can't use online reporting or I need help?



If you are unable to report your income online, you can:

- phone Centrelink's reporting line on 133 276 (13 EARN)
- visit a Centrelink [service centre](#).

Can I change my reporting period?



You can ask Centrelink to change your reporting period to make your Centrelink reporting day the same as the day you receive your payslip/s. This may make it easier to report the income paid by your employer in your reporting period, especially if you or your partner have casual jobs with varying hours.

What if my employer doesn't give me a payslip?



If you don't get payslips, ask your employer to provide them or tell you the gross amount you were paid by them in your reporting period.

Employers should provide payslips to their employees. Read more about [payslips](#) on the Fair Work Ombudsman website.

What if I have already reported income that I haven't yet received?



You may have already reported earnings to Centrelink for days worked prior to 7 December 2020 that you have not yet received. To avoid these earnings being assessed again under the new system, you will need to deduct any gross earnings previously reported under the old system from amounts reported in a reporting period covering the period up to 20 December.

You can do this by using your Centrelink online account through myGov or the Express Plus Centrelink mobile app. You will be asked some extra questions to help you do this one-off report.

If you need extra help working out the amount to report during the transition period, phone Centrelink's reporting line on 133 276 (13 EARN).

What if I'm paid monthly?



If you are paid monthly, you will continue to be required to advise Centrelink of the period covered by your monthly wage payments.

If you are paid monthly, your monthly pay will be assessed under the income test from the beginning of the reporting period in which it was paid, and will continue to affect your payment for the number of days covered by the monthly pay. For example, if you notify Centrelink that you received a monthly wage payment representing 31 days of employment income, assessment of the gross amount paid will be apportioned forward for 31 days – starting from the first day of your reporting period.

What if I'm paid a lump sum or bonus?



Apportionment works the same way for back-pay, lump sums and bonuses. For example:

- If you get back pay, the amount will be assessed in your future payments for the same amount of time as the back pay was for. This is instead of applying it in the past when you earned it
- a yearly Christmas bonus will be assessed under the income test from the beginning of the fortnight in which it is paid and apportioned forward for 52 weeks
- a quarterly commission paid as a lump sum for the previous three months of sales will be apportioned forward for three months.

From 7 December 2020, you can tell Centrelink about these types of payments online.

What if I'm self-employed?

Income reporting processes for people who are self-employed are unchanged.

Income reporting and 'pre-filled' data?

Services Australia is starting to use employment income information collected by the Australian Taxation Office to pre-fill employment income information. If your reporting screen shows pre-filled data, you will be required to confirm that the pre-filled information about your or your partner's employment income is correct. You can do this by checking your payslip/s and making sure that the pre-filled amount matches the gross amount (pre-tax and other deductions) you were paid by your employer. You will be able to change the amount/s if they are incorrect.

It is important to check any pre-filled earnings information on the reporting screen very carefully. People receiving Centrelink payments will still bear full responsibility for income reporting when data has been pre-filled.

Do these changes affect my mutual obligations?

There are no changes to Mutual Obligation and activity requirements under the new employment income reporting system. You will still need to report the hours you and your partner worked in your reporting period.

More information

For more information about Centrelink income reporting requirements and how to get reporting reminders from Centrelink, see Services Australia's webpage, [here](#)

This factsheet does not constitute legal advice.

Please contact any of our member centres If you wish to obtain free legal advice.
Find your closest member centre [here](#)

www.ejaustralia.org.au