



Most important family benefits & tax concessions for families

General prerequisites:

Family allowance (**competence: tax office**) and **childcare allowance (competence: health insurance companies)** are a financial support provided by the state to persons (parents) with children (natural children and grandchildren, adopted, step and foster children) if the applying **parent** and the **child** belong to the following groups of persons:

a) Residence

- **Austrian citizens,**
- **foreign citizens** (third-country nationals) with a permit according to the Settlement and Residence Act (**NAG-card**)
(For children born thereafter, family allowance is paid retrospectively back to birth upon presentation of the NAG-card))
- **EU-citizens with confirmation of registration (Anmeldebescheinigung)** (or residence registration certificate (Meldenachweis) issued before 1.1.2006)
- **persons eligible for asylum**, as of the month when receiving the approval
- **persons eligible for subsidiary protection** without basic income who are gainfully employed
(Attention: A loss of job entails the loss of entitlement to family allowance) **and**

- if parent and child have the

b) centre of their vital interests in Austria (The centre of vital interests results from the intensity of personal relations and economic interests in a country. In case of the residence permits “pupil” and “university studies” (Aufenthaltsbewilligungen “Schüler” und “Studium”) the authorities usually consider the centre of vital interests to remain in the country of origin) **and**

- if the

c) child permanently resides in Austria (school attendance records have to be presented).

Special regulations within the EU

1.) “State of Employment” principle

The member state where a parent **works** (employed or self-employed) is primarily responsible for paying family benefits, even if the family lives permanently in another contracting state.

2.) “State of Residence” principle

If both parents work in different states, family benefits have to be granted in that state of employment where the child lives with the parents or where the family domicile is located.

If an equivalent claim exists in another EU state, the claim to Austrian family allowance ceases to exist or is reduced to compensation payments (respective application at the end of the year: balance payment).

Family allowance (Familienbeihilfe)

Other regulations

- The claim to family allowance does not depend on the parents' income level.
- Per child only one person may file an application.
- The entitlement to the claim rests with the parent in whose household the child lives or the parent who provides maintenance for the most part. If the child lives with both parents in the same household, the entitlement to the claim basically rests with the mother (she may renounce in favour of the other parent).
- An entitlement of the child only exists in exceptional cases, if the child is a full orphan or if it is demonstrated that the parents obliged to provide maintenance don't do so.

Duration / age limits

1.) A claim to family allowance exists for all **minor children up to their 18th birthday (majority)**. Own earnings of the children are not considered (e. g. apprenticeship remuneration, salary for internship or summer job).

2.) Family allowance may be claimed for all children of full age

a) until they have reached the age of 24 (24th birthday),

if they are getting vocational training or further education for their occupation, in case of university studies, documentations of academic success have to be presented

- for the time between finishing school and the earliest possible start of further vocational training,
- for the time between finishing military or alternative community service and the earliest possible start or continuation of the vocational training.

There are certain exceptions (military/alternative community service, birth of a child, university studies, voluntary social year) in which it is possible to receive family allowance until the completion of the 25th year.

b) without time limit

- for severely disabled children (medical certificate) who are expected to be permanently unable to provide for themselves. They are entitled to higher family allowance (+ 138,30 €).

Attention!!!! Family allowance in case of unemployment until completion of the 21st year - cancelled completely as of 1.3.2011!

Family allowance may be applied for **retrospectively** for a maximum of **5 years**.

As of 2011 a **school start allowance** of € 100 is paid out for every child between **6 and 15 years** together with the family allowance for September. A separate application is not necessary.

Additional earnings: Persons over 18 may not earn more than **10.000 €** per year (regardless whether in summer jobs or regular employment) in order to sustain the claim to family allowance. In case of higher earnings the family allowance for the entire calendar year will be reclaimed.

Not considered are: apprenticeship remuneration, orphan's pension and civil servants orphan's pension, earnings exempt from income tax (e.g. social assistance, attendance allowance (Pflegegeld), maintenance aid for studies, unemployment benefit, childcare allowance, family allowance).

Amount of family allowance in €

	for every child	as of the month when the child finishes the 3 rd year	as of the month when the child finishes the 10 th year	as of the month when the child finishes the 19 th year
1 st child	105,4	112,7	130,9	152,7
2 nd child	118,2	125,5	143,7	165,5
3 rd child	140,4	147,7	165,9	187,7
4 th child	155,44	162,7	180,9	202,7
every further child	+ 50	+ 50	+ 50	+50

For every child a tax credit for children (€ 58,40) is paid in addition to the family allowance.

Childcare allowance/CCA (Kinderbetreuungsgeld)

For **childcare allowance** the following prerequisites have to be fulfilled additionally:

- receipt of Austrian **family allowance** and
- **joint household**
- **mother child pass examinations** (certification of all examinations up to the 18th month have to be presented to the health insurance company, otherwise the childcare allowance will be reduced)

The **total income** must not exceed the respective limit(s) for additional earnings (Zuverdienstgrenze). If the income is higher, an amount of childcare allowance equalling the amount by which the limit for additional earnings was exceeded has to be paid back in the end of the year. The income of the other parent is not taken into account. Separate limits for additional earnings exist for the subsidy and extra payment to the package options for childcare allowance. The extra payment to the package options for childcare allowance only has to be paid back if the limit for additional earnings is exceeded.

Other regulations

Taking turns: Regardless of the chosen option the parents may take turns twice in receiving childcare allowance. Thus there may be a maximum of three blocks. A block has to be at least two months. It is not possible that both parents receive childcare allowance simultaneously.

- **Attention:** Regardless of the period during which childcare allowance is received, the right to return to one's workplace after a maternity leave exists at the longest until the child's 2nd birthday!

Cases of hardship – extension: In certain cases of hardship single parents can receive the childcare allowance for 2 more months.

Attention!!! File the application in time, if necessary already before receiving the child benefit notification (Familienbeihilfebescheids), as the childcare allowance is only paid retroactively for 6 months.

Details on all options – it is not possible to change options later!

	package option 30+6	package option 20+4	package option 15+3	package option 12+2	Income-related CCA 12+2
amount of CCA per day	€ 14,53	€ 20,8	€ 26,6	€ 33	80% of income max.€ 66
max. duration one parent	max. until the completion of the 30th month	max. until the completion of the 20th month	max. until the completion of the 15th month	max. until the completion of the 12th month	max. until the completion of the 12th month
Max. duration both parents	max. until the completion of the 36 th month	max. until the completion of the 24 th month	max. until the completion of the 18 th month	max. until the completion of the 14 th month	max. until the completion of the 14 th month
minimum duration per parent	2 months	2 months	2 months	2 months	2 months
gainful employment before the birth necessary?	no	no	no	no	yes
additional earnings limit per calendar year	individual earnings limit; € 16.200	individual earnings limit; € 16.200	individual earnings limit; € 16.200	individual earnings limit; € 16.200	€ 5.800
extra payment per multiple birth child and day	€ 7,27	€ 10,4	€ 13,3	€ 16,5	no extra payment
subsidy to CCA per day	€ 6,06	€ 6,06	€ 6,06	€ 6,06	no subsidy

Online calculator at <https://www.sozialversicherung.at/kbgOnlineRechner/>

Multiple-child bonus (Mehrkindzuschlag)

As of 1 January, 2011, a multiple-child bonus of € 20 (previously € 36,40) per month is due for the 3rd and any further child who lives in the Federal Territory (exception EU area) and for whom family allowance is granted. **Earnings limit for receiving the multiple-child bonus:** € 55.000,-

Tax concessions for families

The tax credits mentioned below can only be claimed within the scope of payroll tax equalisation (Arbeitnehmerveranlagung/form L1) or income tax return (Einkommensteuererklärung/form E1) and reduce the taxable income. You can file your tax return in form of a paper application or online at the website of the Ministry of Finance: <https://finanzonline.bmf.gv.at>.

Extraordinary expenses (außergewöhnliche Belastungen)

- **Health costs**, e.g. doctor's fees, medication costs, hospital costs, dental treatment, orthodontic treatment, glasses, contact lenses, confinement costs.
- **Expenses for a child's vocational training in a foreign country** (lump sum of 110 € per month, also during school and university holidays),
- **Costs for handicapped adults and children** (not for adults who receive attendance allowance) **treatment costs and school fees.**

Special expenses (Sonderausgaben)

Voluntary continuation of insurances, insurance premiums for voluntary personal insurances, costs for the creation and renovation of housing space, contributions to churches, etc. The maximum amount per year is 2.920 €.

Single parent's tax credit – sole earner's tax credit (Alleinerzieherabsetzbetrag – Alleinverdienerabsetzbetrag)

The **single parent's tax credit** of annually **364 €** is due to taxable persons who do not live in a marital or non-marital partnership for more than six months a year and are entitled to a tax credit for children during this period.

A sole earner is a person who lives, for more than six months per calendar year, with a spouse or non-marital partner and has at least one child for whom family allowance is granted for more than six months per year (income limit for the spouse/non-marital partner: up to € 6.000 annually). **The additional payment for children (Kinderzuschlag)** to the single parent's or sole earner's tax credits is graded according to the number of children:

For the 1st child: 130 € , For the 2nd child : 175 € , For the 3rd and any further child: 220 €

Tax abatement for children (Kinderfreibetrag)

Retroactively as of 1 January, 2009, a tax abatement for children of **annually 220 €** per child is available. The tax abatement for children may be claimed by one parent or both parents. If both parents claim the tax abatement, 132 € are due to each parent.

Tax credit for maintenance payment (Unterhaltsabsetzbetrag)

Persons who prove that they are providing statutory maintenance (alimony) for a child not living in the same household and who do not receive family allowance are entitled to a monthly **tax credit for maintenance** payment to relieve the tax burden:

€ 29,20 for the 1st child, € 43,80 for the 2nd child, € 58,40 for any further child

Deductibility of childcare costs (NEW as of 1.1.2009)

As of 2009 childcare costs may also be asserted in the tax return. This applies to the costs for day nurseries, kindergartens, day care mothers, nannies, after school care or boarding schools up to an amount of 2.300 € per year and child. The respective child must not yet have completed the 10th year at the beginning of the calendar year.

Since the provisions at hand have been presented in a very abridged version, we kindly ask you to contact your tax office, the WGKK, 1070 Vienna, Andreasgasse 3, or your health insurance company for more detailed information. We would like to point out that despite careful examination mistakes may happen and therefore can not assume any guarantee for the information contained in these sheets.

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