FAM-EN-2022

# **Important family benefits**

The family allowance (responsible for that: tax office) and child care allowance (responsible for that: health insurance) are state financial support for people (parents) with children (biological children and grandchildren, children of choice, stepchildren and foster children) if the applicant parent and the child fulfill the following requirements:

## **General conditions**

#### Legal residence in Austria

- Austrian citizenship,
- Foreign nationals (Third country nationals) with a permit under the Settlement and Residence Act (NAG-Card) or according to §54 of the Asylum Act residence permit, residence permit plus, residence permit special protection. (For children born afterwards, the family allowance is granted retrospectively up to the birth on presentation of the residence card).
- EU citizens with registration certificate (or registration certificate issued before 1.1.2006)
- Persons entitled to asylum, from the month of the positive decision
- Employed **persons who are entitled to subsidiary protection** without basic provision (in the case of **childcare allowance**, there must also be no entitlement to a minimum income) (Caution: if you lose your job, you are not entitled to family allowance).
- Refugees from Ukraine who have a temporary right of residence (retroactive Entitlement from 12 March 2022 for the duration of their stay, maximum until 3 March 2024).

#### Center of life interest / permanent residence in Austria

The center of life interest results from the intensity of personal relationships and economic interests in a country. **Examples of documents submitted**: Registration of the main residence, rental contract (type and size of the apartments), service contracts of the parents, proof of operating costs (electricity, heating, etc.), confirmation of the daycare or kindergarten or school, presence of the children in Austria, etc.

#### **Shared household** (of applicant parent and child)

Eligible is the parent in whose household the child lives, or the parent who largely accounts for the maintenance. If the child lives with both parents in the same household, the mother is primarily entitled - but can dispense with in favor of the other parent.

## Special regulations within the EU

#### 1.) State of employment principle

The Member State in which one of the parents is gainfully employed (self-employed or employed) is primarily responsible for the payment of family benefits, even if the family permanently lives in another contracting state.

# 2.) State of residence principle

If both parents work in different countries, the family benefit must be granted in the country of employment in which the child lives with one of the parents or in which the family residence is located.

If there is a similar entitlement in another EU country, the entitlement to Austrian family allowance lapses or is reduced to compensation payments (corresponding application at the end of the year: difference payment).

Indexation was abolished in June 2022: the family allowance and the child deduction amount, sibling scales, the increase amount in the event of significant disability, the school start-up fee were indexed. The indexation applies to a benefit between 1.1.2019 and 30.6.2022. From the month of July 2022, all beneficiaries will receive the full amounts. For entitlement months between January 2019 and June 2022, an additional payment will be made.

You can find family allowances for children who are permanently in the EU / EEA and Switzerland at: <a href="https://www.bundeskanzleramt.gv.at/agenda/familie/familienbeihilfe/

### Family allowance

In addition to the general requirements, the following rules must be observed:

The right to family allowance exists **regardless of the parents' income**.

Only **one** person (parent) per child **can submit an** application.

The child is **entitled to a claim** if it is an orphan or if the parents who are obliged to provide support are demonstrably unable to provide support.

A child of **legal age** can apply to the tax office for the transfer to be made to their current account (the prerequisite for direct payment of family allowance is that the parent agrees to the transfer).

## A.) Duration / age limits

- All minor children up to their 18th birthday (majority) are entitled to family allowance.
   From the age of 19, the child's income is taken into account (if it exceeds € 15,000 / year).
   Not included are: apprenticeship allowances, orphan's pensions, orphan's benefits and income tax-free payments.
- 2.) Children up to their 24th or 25th birthday1
  - a.) if they are in vocational training or further education

Studies with proof of academic success (16 ECTS points),

- b.) between the end of school education and the earliest possible start of professional development;
- c.) for the time between **the end** of military or community service and the earliest possible **start** of vocational training. As a rule, the planned minimum period of study per section must not exceed **1 semester** or the envisaged training period not more than 1 year. A maximum of **2 changes of study** are possible.

Under certain exceptions (military / community service, birth of one's own child, studies, voluntary social year), family allowances are possible up to the age of 25<sup>2</sup>.

#### 3.) Without time limit

For severely disabled children with more than 50% disability

(Medical certificate from the Federal Social Office required) an increased family allowance is granted on request.

Increase the surcharge on the general family allowance: + € 164.90.

#### **B.) Amount of family allowance**

From January 2023 the family allowance per child and month is:

| Age of the child | per month |
|------------------|-----------|
| from birth       | € 120.60  |
| from 3 years     | € 129.00  |
| from 10 years    | € 149.70  |
| from 19 years    | € 174.70  |

The total monthly amount of family allowance increases with the graduation of the siblings for each child if:

- For two children, approx. € 7.50 is granted for each child
- For three children, € 18.40 is granted for each child, etc.

In addition to the family allowance, a child tax credit (€ 61.80) is paid for each child

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

In **Septembe**r, a "**Schulstartgeld**" of 105.80 euros is paid for every child between the ages of 6 and 15. A separate application is not required.

<sup>&</sup>lt;sup>1+2</sup> Under certain circumstances in connection with the COVID-19 crisis the duration will be extended above the age limit at the latest for 6 months.

<u>Multi-child surcharge:</u> For every third or further child living in Austria (with the exception of the EU) for whom family allowance is granted, a <u>multi-child surcharge</u> of € 21.20 per month is due. **Income limit: 55,000 €** (application to the tax office – E 4 form or tax return).

## Child care allowance (KBG) for births from 1.3.2017

### The following rules must be observed:

- Entitlement and receipt of family allowance for the child
- Legal residence in Austria
- Shared household with the child and identical primary residence registrations
- Center of life interests in Austria
- Mother-child pass exams: Evidence of 5 x examinations during pregnancy and the first child examination must be provided when the application is submitted (a copy), and the remaining 4 examinations must be proven in the 15th month of the child's life. If only one exam is not proven in time, childcare allowance will generally be reduced by € 1,300 per parent (i.e. if the other parent is receiving childcare allowance). Forbearance possible!
- Compliance with the additional income limit per calendar year
- In the case of **separated parents**, additional custody rights for the child and receipt of family allowance by the applicant parent

Special provisions: within the EU and for employees of international organizations and diplomatic staff.

There are 2 systems to choose from:

# 1.) Child care allowance account (Kinderbetreuungsgeld-Konto / pauschale Leistung)

The previous four flat-rate variants are combined into a **"child care allowance account"** with a fixed amount per child that is independent of the duration of the benefit.

Payment amount: 15.38 € to 35.83 € daily (depending on the selected variant), multiple surcharge 50% Period of benefit: from the birth of the child

- a.) if one parent: from 365 to 851 days
- b.) if both parents: from 456 to 1,063 days (2nd parent refers to at least 91 days)

<u>Additional earnings:</u> Individual limit amount of 60% of the relevant final income from the calendar year before the birth or at least the additional income limit of € 18,000 (= approximately 1,372.00 x 14 annually) <u>Determination of the duration of entitlement:</u> binding, 1 x change possible.

<u>Change:</u> Regardless of the option chosen, the parents can take turns drawing childcare allowance **twice**, so max. **3 x blocks**, whereby a block must last **at least 2 months**.

# 2.) Income-related childcare allowance (Einkommensabhängiges Kinderbetreuungsgeld)

It is only granted to persons who actually worked in Austria in the six months prior to the birth of the child, subject to social insurance contributions.

<u>Benefit amount:</u> 80 percent of last salary max. € 69.83 per day (around € 2,100 per month– no multiple surcharge).

- a) Average income in the last three calendar months before the employment ban began
- b) Income in the last year before the birth of the child

Period of benefit: from the birth of the child

- a.) if one parent: up to the 365th day
- b.) if both parents: up to 426 days (2nd parent refers to at least 61 days and max. 365 days)

<u>Additional income:</u> Only permitted in the amount of € 7,800.00 per calendar year (for example, a marginal employment relationship would be permitted and no benefits from unemployment insurance)

Determination of the duration of entitlement: binding, no change possible.

<u>Additional earnings include, for example:</u> pensions, unemployment benefits, emergency assistance, further training allowances, part-time training allowances, sick pay, income from marginal employment, and income from ongoing employment.

<u>Additional earnings do not include:</u> alimony, family allowance, childcare allowance, severance payments, maternity allowance, 13<sup>th</sup> /14<sup>th</sup> salary, care allowance, scholarships according to the Study Support Act

## Other regulations on childcare allowance

#### Partnership bonus:

The parents have to receive the flat-rate or income-related childcare allowance in approximately equal parts (50:50 to 60:40) and at least for 124 days each, upon request. Each parent is entitled to a partnership bonus in the amount of € 500 (thus a total of € 1,000 for both parents) as a one-off payment (after the partnership bonus has been paid out for this child, childcare allowance may no longer be drawn) (the application can be submitted at the same time as the childcare allowance application or later separately, but no later than 124 days from the last possible reference date).

#### Family time bonus (family month / dad month - Papamonat):

General requirements plus at least 182 days of fully insured employment for the father

Family time: is the period of 28 to 31 days within 91 days of birth in which the father interrupts his employment and devotes himself to the family (Papamonat)

Family time bonus = € 22.60 per day (offset against the father's childcare allowance)

#### Aid for the flat-rate childcare allowance:

Only possible for parents with a low income

Withdrawal amount: € 6.06 per day

Subscription period: Max. 12 months while receiving childcare allowance

#### Additional earnings: income

- Single parents or receiving parent: up to € 7,800
- Income of the spouse / partner: less than € 18,000 (= approximately 1,372.00 x 14 per year)

#### **Important:**

- Reclaim: If the annual additional income limit is exceeded, the amount by which the additional income limit was exceeded must be repaid.
- Waiver: In order to avoid exceeding the additional income limit, childcare allowance can be waived for a certain period in advance (only for whole calendar months).
- Cases of hardship extension: In certain cases of hardship, the receipt of childcare allowance can be extended by 3 months (death, stay in a women's shelter or in a sanatorium, imprisonment or by 4 months (if single and no maintenance is drawn).
- It is not possible for both parents to draw childcare allowance at the same time (exception: the first time the child is paid, the parents can draw childcare allowance for up to 31 days at the same time).
- Protection against dismissal: The right to return to work after parental leave exists regardless of the duration of the childcare allowance benefit. Until the child's 2nd birthday
- > Submit the application in good time, if necessary before receipt of the family allowance notification, because the KBG is only paid out retrospectively in the first 6 months.

## Online-Rechner auf https://www.sozialversicherung.at/kbgOnlineRechner/

Attention: Since only the most important provisions are given here, we ask you to obtain more detailed information from the responsible authorities or advisory office. We point out that despite careful processing, errors can occur and therefore no guarantee can be given for the information in this information sheet!

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