Are you paying or receiving child support?

Peninsula Community Legal Centre urges all people who are paying or receiving child support to lodge their tax returns promptly.

Principal Lawyer, Victoria Mullings, says:

"Even those people who otherwise receive only Centrelink income will need to do a tax return, to avoid the risk of over-paying or under-paying child support. Here are just a couple of examples which illustrate the problems that can be caused.

'Jane Smith' had a part-time job, received a part Centrelink pension and some child support from her former partner. She failed to submit a tax return for several years. When a reconciliation was finally done, Jane was presented with a bill for \$10,000 which she had received in overpayments over the years. The Child Support Agency then sought to recover the money, which was to be repaid to Jane's former partner.

It is easy to imagine the problems such as debt would cause for a single parent on a limited income. Jane was forced to withdraw her children from dancing classes and had her car repossessed.

On the other hand, 'John Brown', who similarly did not send in regular tax returns, found that he owed increased amounts of child support as his salary had risen over the years. He was forced to repay substantial arrears, which placed strain on the previously agreeable relationship between he and his ex-wife, which later deteriorated to the point where a Family Violence Order was obtained, and he saw his children far less often than before.

The moral of these stories is, of course, that it is in everyone's best interest to keep their tax affairs up to date.

For those who are daunted by the idea of completing tax returns, the cost of professional help is tax deductible, and some local agencies may provide volunteer tax advisors for people on low income."

Peninsula Community Legal Centre does not provide taxation advice in general but does provide advice in relation to child support issues, for parents who live work or study in the municipalities of Glen Eira, Kingston, Frankston, Casey, Cardinia and Mornington Peninsula.

For more information about free legal services, or if you need assistance with child support matters, including reconciliations, large bills or overpayments, call Peninsula Community Legal Centre on (03) 9783 3600 or visit www.pclc.org.au.

END. 22 June 2010 **Contact:** ANDREA FLORANE MANAGER – VOLUNTEER & EDUCATION PROGRAMS PENINSULA COMMUNITY LEGAL CENTRE INC. Tel: (03) 9783 3600 Extension 34



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