

### PF1.3: Family cash benefits

#### *Definitions and methodology*

Family cash benefits (FCB) are defined here as child-related cash transfers to families. Such transfers can take many different forms. In general, the information presented in this indicator refers largely to what are often called ‘family allowances’, or alternatively ‘child allowances’ or ‘child benefits’ – periodical payments to a member of a household with dependent children to help with the costs of raising children. Family- or child-related cash transfers and/or other kinds of state financial support that are given only to very specific groups or are available only in specific circumstances are generally not included. This means that cash transfers specific to single parents/single-parent families, maternity, paternity, parental or home-care leave benefits and child-raising allowances, one-off payments for specific events (e.g. birth grants), and benefits targeted at very specific groups or for specific purposes (e.g. educational-support benefits, benefits for families with children with disabilities, etc.) are generally not included here. Child-related ‘refundable’ or ‘non-wastable’ tax credits (i.e. benefits that are paid in cash when the tax liability of a family is not large enough to make (full) use of a particular fiscal advantage or tax credit) are included if they are used in a similar manner to a family allowance (as in Australia, for instance). Otherwise, fiscal support is also not covered here.

#### *Key findings*

Family allowance cash benefits are a fairly common but not universal feature of social protection systems in the covered Asia/Pacific countries (Table PF1.3.A). Six of the nine covered Asia/Pacific countries provide financial support to families in the form of a family allowances of some sort (Australia, China, Hong Kong [China], Japan, New Zealand and Thailand). In some cases (Australia and New Zealand) these benefits take the shape of ‘non-wastable’ tax credits, while in others (e.g. Japan and Thailand) they are provided as cash transfers. In Hong Kong (China), a ‘child benefit’ of sorts is embedded within the wider Comprehensive Social Security Assistance cash transfer scheme for families with low incomes.

In contrast to the universal family allowance benefits available in many OECD countries, many of the family allowances in the covered Asia/Pacific countries are means-tested (Table PF1.3.A), meaning that either eligibility for the benefit or the amount paid is conditional on family income (or, in the case of Hong Kong [China], on family income and assets). In Japan, for instance, eligibility for the main Child Allowance is limited to families with incomes below a certain threshold (JPY 9.6m for a two-parent two-child family in 2015); those with incomes above the threshold are not eligible to receive the main benefit, although they can receive a lower, secondary ‘Special Interim Allowance’ instead. Thailand is the main exception here – the Thai ‘Child Assistance Benefit’ is not tested against income or assets, although eligibility is limited to families with an employed and insured adult only.

The design of family allowances/child benefits transfers differs across countries (Table PF1.3.A). In most cases the exact value of the benefit paid for each child depends on the child’s age and/or the number of children in the family, though the direction of the variation sometimes differs from country to country. In Australia, for example, the per-child value of

*Other relevant indicators:* PF2.1: Key characteristics of parental leave systems; PF4.1: Typology of childcare and early education services

the Family Tax Benefit Part A tax credit increases both as children grow older and with the number of children in the household. In Japan, on the other hand, the per-child value of the Child Allowance *decreases* as children grow up. The age limit on the benefit varies too. In most cases family allowances/child benefits are paid until children turn 15 or 16 (18 in New Zealand), sometimes with an extension if the child remains in education or training (Australia, Hong Kong [China], and New Zealand). In Thailand, however, the Child Assistance Benefit is paid only until the child turns 6.

Three of the covered Asia/Pacific countries (Korea, Singapore and Viet Nam) do not provide families with cash support through a general family allowance or child benefit scheme, though all three still look to offer financial support in other forms. Singapore, for example, provides families with support through schemes like a birth grant (the 'baby bonus') and a state-supported matched savings fund (the 'Child Development Account'), while Korea provides families with children under 6 who do not use childcare facilities with a 'home-care allowance'. Viet Nam provides a range of cash benefits to families and children with specific needs or in specific circumstances such as, for example, a single parent benefit and a disabled child allowance.

#### *Data and comparability issues*

Information on family cash benefits has been collected from a range of sources, including the United States Social Security Administration's bi-annual publication "*Social Security Programs Throughout the World*", government websites and publications by relevant government ministries, and a questionnaire sent to national authorities in the context of the OECD Benefits and Wages database.

As noted in the '*Definitions and methodology*' section, the information in this indicator refers largely to 'family allowances', defined as periodical payments to a member of a household with dependent children to help with the costs of raising children (also sometimes known as 'child allowances' or 'child benefits'). This definition includes only those periodic benefits that are designed to provide financial support to families for the purpose of bringing up children, and does not cover periodic benefits aimed at helping families with the cost of education. As a result, any periodic cash or in-kind benefits provided to families for educational purposes (such as the scholarships offered to children from disadvantaged backgrounds in Viet Nam) are not included here.

On occasion some education-related benefits may be provided solely to families with low incomes, after a means-test, for the purpose of redistributing income in favour of those with insufficient resources, rather than to provide free access to education. These benefits may be considered as 'family benefits' in the wider sense, but are not generally included here.

*Sources and further reading:* United States Social Security Administration (2017), "Social Security Programs Throughout the World", <https://www.ssa.gov/policy/docs/progdesc/ssptw/>; OECD Tax and Benefit Models, <http://www.oecd.org/social/benefits-and-wages.htm>

Table PF1.3.A. Family Cash Benefits, 2015/16

Name (English)	Maximum amount for one child aged 3-12 (national currency)	Benefit per additional child increases/decreases with:		Upper age limit	Upper age limit for those in education or training	Means test on	Notes/Other	
		Age of child	Number of children					
Australia	Family Tax Benefit (FTB) Part A	5,427.55	+	+	16	20	Family income	Family tax benefit (FTB) part A to help families with cost of raising children.
	Family Tax Benefit (FTB) Part B	4,347.15	-	n	16	18	Income of second earner in the couple	FTB part B is targeted towards families with one main income (inc. single parents)
China	(Varies across localities)	..	..	..	..	..	..	Municipalities provide various kinds of support (including cash benefits like family allowances) to families that comply with family planning policies. Municipalities also offer mean-tested income support and medical assistance programmes to low income families. Exact details vary across localities.
Hong Kong (China)	Comprehensive social security assistance benefit	28,920	0	-	15	21	Family income and assets	The child benefit is paid as just one element of the wider comprehensive social security assistance benefit. A supplement is paid to single-parent families with children under age 18
Japan	Child allowance	120,000	-	+	15	-	Family income	A Special Interim Allowance of 60,000 JPY per year is available to families with incomes above the income cap
Korea	None	..	..	..	..	..	..	No general family allowance or child benefit, though a home-care allowance is available to households with children under 6 who do not use childcare facilities or kindergarten.
New Zealand	Family tax credit	4821.96	+	-	18	19	Family income	The 'family tax credit' is a non-wastable tax credit

Family Database in the Asia-Pacific Region, <http://oecdkorea.org/user/nd8662.do?View&boardNo=00002453>  
OECD and OECD KOREA Policy Centre

Name (English)	Maximum amount for one child aged 3-12 (national currency)	Benefit per additional child increases/decreases with:		Upper age limit	Upper age limit for those in education or training	Means test on	Notes/Other
		Age of child	Number of children				
Singapore	None	..	..	..	..	..	No general family allowance or child benefit, though many families are entitled to a birth grant ("baby bonus") worth up to SGD 10,000. Many families can also receive further financial support through family- or child-related tax reliefs and rebates such as the "Parenthood Tax Rebate" (a semi-non-wastable tax credit worth up to SGD 20,000 per child) and the Working Mother's Child Relief, through subsidies for centre-based childcare like the "Child Care / Infant Care Subsidy", and through other schemes like the "Child Development Account" (a special state-supported matched savings fund for children to be spent on educational and health-related expenses).
Thailand	Child assistance benefit	4800	0	0	6	-	Not means-tested Eligibility limited to employed and insured persons only. Paid for up to a maximum of three children at any one time.
Viet Nam	None	..	..	..	..	..	No general family allowance or child benefit, though a range of cash social protection benefits are available to families and children with specific needs or in specific circumstances (e.g. single parent benefit, disabled child allowance, educational scholarships for children from disadvantaged backgrounds, orphaned child benefit, etc.)

Note: The information in this table refers largely to what are often called 'family allowances', or alternatively 'child allowances' or 'child benefits', plus also Child-related 'refundable' or 'non-wastable' tax credits. It does not include financial support specific to single parents/single-parent families, maternity, paternity, parental or home care leave benefits and child-raising allowances, one-off payments for specific events (e.g. baby bonuses), or benefits targeted at very specific groups or for specific purposes (e.g. educational-support benefits, benefits for families with children with disabilities, etc.). All benefit amounts are shown on an annualised basis. ".." indicates that no information is available or not applicable.

a) Data for Australia, Japan, Korea and New Zealand refer to 2015. Data for China, Hong Kong (China), Singapore, Thailand and Viet Nam refer to 2016.

b) "+" = increases; "-" = decreases; "0" = remains the same; "+/-" = both increases and decreases at different points; "n" = no effect

Sources: [Australia, Japan, Korea and New Zealand: OECD Tax and Benefit Models country chapters](#); [China, Hong Kong \(China\), Singapore, Thailand and Viet Nam: Social Security Programs Throughout the World](#); China, Hong Kong (China), Korea, Singapore, Thailand and Viet Nam: National correspondents; [Hong Kong: Hong Kong SAR Social Welfare Department](#); [Singapore: Ministry of Social and Family Development](#)