Income Apportionment Resolution Scheme

In December 2025, the Commonwealth Parliament passed laws introducing the Income Apportionment Resolution Scheme. This scheme provides compensation for people impacted by the historic practice of income apportionment, which has now been found to be unlawful.

Key information

- The Income Apportionment Resolution Scheme is open for applications. It will be **open until 29 January 2027**, unless you have special circumstances which prevent you from applying.
- The Income Apportionment Resolution Scheme provides compensation for people with debts impacted by income apportionment.
- Accepting an offer under the scheme means you cannot take other legal action in relation to income apportionment. You may wish to seek legal advice before you accept an offer.

Your questions answered

1. What is the Income Apportionment Resolution Scheme?

A: *Income apportionment was a method used by Services Australia to calculate social security payments where it wasn't clear exactly when money from employment was earned. Income apportionment was used prior to December 2020.*

The Income Apportionment Resolution Scheme provides compensation of up to $600 in recognition that this practice was unlawful.

2. How much compensation can I get through the scheme?

A: *The compensation you can get depends on the value of your debt as it was on 30 January 2026, not counting any money you may have already repaid. If part of your debt has been waived, that portion will not count towards to the value of the debt.*

- ***For debts less than $200*** *you can receive the full amount of the debt.*
- ***For debts between $200 and $1999*** *you can receive $200.*
- ***For debts between $2000 and $4999*** *you can receive $400.*
- ***For debts of $5000 or more*** *you can receive $600.*

3. How do I know if my debt was affected by income apportionment?

A: *If you have an outstanding debt with Services Australia which has been impacted by income apportionment, you will likely have received a letter from Centrelink telling you this already. If you haven't received this letter, your debt likely isn't impacted by income apportionment. You can contact Services Australia to check if you want to be sure.*

If you had a debt in the past, but it's been paid off or waived, the only way to know for sure if it was impacted by income apportionment is to ask Services Australia to check. Debts which the following apply to are more likely to be impacted.

- *The debt was from prior to December 2020.*
- *The debt related to income from employment or issues with income reporting.*
- *The debt was for a social security payment such as Newstart Allowance, JobSeeker Payment, Youth Allowance, and not for a family assistance payment (i.e. Family Tax Benefit or Child Care Subsidy).*

4. Are there any downsides or negative consequences to applying for the scheme?

A: *Applying for the scheme will not affect any current payments you are receiving from Services Australia. Accepting an offer through the scheme may have an impact on your payment through the assets test. You may wish to confirm this with Services Australia before you accept. You may also wish to seek independent legal advice before accepting an offer.*

Accepting an offer through the scheme means you will not be able to take legal action against the Commonwealth in relation to income apportionment. This means you won't be able to seek other compensation, sue the Commonwealth, or participate in a class action if one happens in the future.

Accepting an offer does not prevent you from appealing an income apportionment debt, including by seeking review at the Administrative Review Tribunal (ART), or seeking further review of an ART decision in the Federal Court.

5. How do I apply for the scheme?

A: ***You can apply for the scheme online here***. *You can also apply over the phone by calling 1800 560 870.*

6. When does the scheme close?

A: *The scheme will be **open until 29 January 2027**. You may be able to apply after this time if you are able to show there were special circumstances which meant you couldn't apply in time. **The scheme will close completely on 29 January 2028**.*

7. When will I have a decision from the scheme?

A: *Offers under the scheme will not be made until at least July 2026. It may be some time after July 2026 before your matter is considered.*

If you receive an offer, you will have 56 days to decide whether to accept it or not.

8. I've received an offer under the scheme and I don't know if I should accept it.

A: *You should seek independent legal advice about your specific circumstances. The end of this factsheet has details about services you can contact to get this advice.*

9. I am unhappy with the outcome I got from the scheme.

A: *You can have your decision reviewed. A review will consider whether you are entitled to receive an offer under the scheme, and how much compensation you are offered.*

You must request a review within 56 days of receiving a decision. If the decision included an offer of compensation, you must request a review before accepting the offer.

10. Is there anything else I should know?

A: *You may also wish to review our other factsheets about:*

- **Income apportionment**
- **Centrelink debts**
- **Appealing Centrelink decisions**

Where can I get help?

You can get free legal advice from your closest member centre which can be found at https://www.ejaustralia.org.au/legal-help-centrelink/.

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 at www.ejaustralia.org.au