

Government Benefits Thresholds

Fact Sheet

This guide to Australian Government benefits gives details of rates and eligibility criteria for the Age Pension, Sickness and Widow Allowance. For full details of other payments including Family Tax & Child Care Benefits, see the ATO's *Guide to Australian Government Payments* at www.ac cru.com/resources/tools.

Age Pension

Eligibility for the Age Pension is subject to meeting certain age, residence and means test qualifications. Age Pension rules were significantly changed from 20 September 2009 under Pension Reform measures. Rates and thresholds as at 20 September 2011 are outlined below.

Qualification

Date of birth	Eligible for Age Pension at age	
	Women	Men
1 January 1946 - 30 June 1947	64	65
1 July 1947 - 31 December 1948	64.5	65
1 January 1949 - 30 June 1952	65	65
1 July 1952 - 31 December 1953	65.5	65.5
1 January 1954 - 30 June 1955	66	66
1 July 1955 - 31 December 1956	66.5	66.5
1 January 1957	67	67

Pension Rates

	Max. benefit (per fortnight)*	Max. benefit (per annum)*
Single	\$748.80	\$19,468.80
Couple (each)	\$564.50	\$14,677.00
Couple separated due to illness (each)	\$748.80	\$19,468.80

* Payment rates include the Pension Supplement - \$59.80 (singles) and \$45.10 (couples) per fortnight. Can opt to accrue the minimum Pension Supplement amount and have it paid on a quarterly basis.

Following payments may also be payable:

- Remote area allowance may also be payable - \$18.20 (single) or \$15.60 (couple, each) + \$7.30 for each dependent
- Rent assistance

Income Test

	Income threshold* (per fortnight)	Income cut-out** (per fortnight)
Single	Up to \$150	Less than \$1,647.60
Couple (combined)	Up to \$264	Less than \$2,522.00
Couple separated due to illness (combined)	Up to \$264	Less than \$3,259.20

Income includes reportable super contributions and net investment losses.

Exempt from income test if permanently blind and receive Age Pension or Disability Support Pension (DSP).

*Fortnightly pension reduced by 50c (single) or 25c (couple) for each dollar over the threshold. For transitional or saved cases, reduced by 40c (single) and 20c (couple).

** Payment rates may be higher if also receive Rent Assistance with the pension payment.

Work Bonus

- First \$250 of employment income earned each fortnight is exempt from the income test.
- Any unused amount earned between \$0 and \$250 is added to the Work Bonus balance up to \$6,500 which is used to offset future income earned in a single fortnight above \$250.

Assets Test

	Lower limit*	Upper limit#
Home Owner		
Single	Up to \$186,750	Less than \$686,000
Couple	Up to \$265,000	Less than \$1,018,000
Couple separated due to illness (combined)	Up to \$265,000	Less than \$1,263,500
One partner eligible	Up to \$265,000	Less than \$1,018,000
Non-home Owner		
Single	Up to \$321,750	Less than \$821,000
Couple	Up to \$400,000	Less than \$1,153,000
Couple separated due to illness (combined)	Up to \$400,000	Less than \$1,398,500
One partner eligible	Up to \$400,000	Less than \$1,153,000

* Rate of pension reduces by \$1.50 per fortnight for every \$1,000 above lower limit.

Limits may increase if you receive Rent Assistance with Pension Payment.

Extra Allowable Amount for Retirement Village and Granny Flat Residence

Extra allowable amount*	\$135,000
*Amount equal to the difference between the non-home owner and home owner assets test limits. If entry contribution is equal to or less than the extra allowable amount at the time of entry, then assessed as a non-home owner. Entry contribution will count as an asset. May also qualify for Rent Assistance.	

Deeming Rates

	Financial investment	Deeming rate
Single (pension or allowance)	\$0 - \$44,600 Balance	3% 4.5%
Couple - combined (pensioner)	\$0 - \$74,400 Balance	3% 4.5%
Couple - for each allowee (neither is pensioner)	\$0 - \$37,200 Balance	3% 4.5%

Pension Bonus Scheme

Years in scheme	Single max. rate	Partnered (each) max. rate
1 year	\$1,735.00	\$1,311.90
2 years	\$6,940.00	\$5,247.80
3 years	\$15,615.00	\$11,807.50
4 years	\$27,759.90	\$20,991.00
5 years	\$43,374.90	\$32,798.50

- Closed to new entrants 20 September 2009, unless qualified for Age Pension before 20 September 2009
- Paid as lump sum, non-taxable payment
- Subject to eligibility requirements including work test
- Bonus dependent also upon how much Age Pension entitled to and time in scheme

Pension Loan Scheme

- Loan paid in regular fortnightly installments
- Loan amount dependent on value of the property offered as security, equity, wish to retain and age at time loan is granted
- Compounding interest charged on the balance of the loan and calculated on a fortnightly basis
- Can receive up to maximum amount of Age Pension including Pharmaceutical Allowance and Rent Assistance, each fortnight.

Age Pension—Transitional Rules

Due to a tightening of the Age Pension income test from 20 September 2009, the Government introduced a transitional Age Pension rate to protect the entitlements of existing pensioners as at that date, some of whom may have faced a cut in payments. These rates are outlined below.

Pension Rate

	Max. benefit (per fortnight)	Max. benefit (per annum)
Single	\$667.20	\$17,347.20
Couple (each)	\$538.80	\$14,008.80

Income Test

	Income threshold* (per fortnight)	Income cut-out** (per fortnight)
Single	Up to \$150	Less than \$1,818.00
Couple (combined)	Up to \$264	Less than \$2,958.00
Couple separated due to illness (combined)	Up to \$264	Less than \$3,600.00

Allowable income increased by up to \$24.60 for each dependent child

*Fortnightly pension reduced by 50c (single) or 25c (couple) for each dollar over the threshold. For transitional or saved cases, reduced by 40c (single) and 20c (couple).

** Payment rates may be higher if also receive Rent Assistance with the pension payment.

Assets Test

	Lower limit*	Upper limit#
Home Owner		
Single	Up to \$186,750	Less than \$631,750
Couple	Up to \$265,000	Less than \$983,500
Couple separated due to illness (combined)	Up to \$265,000	Less than \$1,155,000
One partner eligible	Up to \$265,000	Less than \$983,500
Non-home Owner		
Single	Up to \$321,750	Less than \$766,750
Couple	Up to \$400,000	Less than \$1,118,500
Couple separated due to illness (combined)	Up to \$400,000	Less than \$1,290,000
One partner eligible	Up to \$400,000	Less than \$1,118,500

* Rate of pension reduces by \$1.50 per fortnight for every \$1,000 above lower limit.

Limits may increase if you receive Rent Assistance with Pension Payment.

Social Security - Fringe Benefits

Commonwealth Seniors Health Card

To qualify must:

- have reached pension age but not qualify for the Age pension (or other certain pensions)
- be an Australian resident living in Australia
- have an annual adjusted taxable income below the income test threshold, where adjusted taxable income = taxable income + foreign income (where no Australian income tax is paid) + net investment losses + employer provided benefits (in excess of \$1000) + reportable super contributions

	Income test*
Single	\$50,000
Couples	\$80,000
Couples separated by illness - combined	\$100,000

*Limit increased by \$639.60 for each dependent child the individual cares for.

The commonwealth seniors health care card also provides access to the Seniors Supplement.

Allowances

The following information applies to a number of government benefits including: Newstart Allowance, Sickness Allowance and Widow Allowance.

Allowance Rates

	Max. benefit (per fortnight)*	Max. benefit (per annum)*
Single (no children)	\$486.80	\$12,656.80
Single (with children)	\$526.60	\$13,691.60
Single (over 60 after 9 months on allowance)*	\$526.60	\$13,691.60
Partnered (each)	\$439.40	\$11,424.40
Single, principal carer of a dependent child (granted an exemption for foster caring/home schooling/distance education/large family)	\$641.50	\$16,679.00

* Pharmaceutical Allowance may be paid

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Allowance income test

Family situation	For full allowance (per fortnight)*	For part allowance (per fortnight)**
Single (no children)	Up to \$62	Less than \$904.67
Single (with children)	Up to \$62	Less than \$981.00
Single (over 60 after 9 months on allowance)*	Up to \$62	Less than \$971.00
Partnered (each)	Up to \$62	Less than \$825.67
Single, principal carer of a dependent child (granted an exemption for foster caring/home schooling/distance education/large family)	Up to \$62	Less than \$1,162.50

* Fortnightly income between \$62 and \$250 reduces fortnightly allowance by 50c in the dollar. Fortnightly income above \$250 reduces fortnightly allowance by 60c in the dollar. Partner income which exceeds the cut-off point reduces fortnightly allowance by 60c in the dollar.

**May be higher if eligible for Pharmaceutical Allowance or Rent Assistance.

Child support received is not included as income for the personal income test.

Allowance asset test

Family situation	Home owner*	Non-home owner*
Single	\$186,750	\$321,750
Couple	\$265,000	\$400,000
Couple separated due to illness (combined)	\$265,000	\$400,000
One partner eligible	\$265,000	\$400,000

*No benefit payable where threshold is exceeded

Liquid assets waiting period

	Threshold (equal or exceeds)
Single (no children)	\$3,000
Single (with children)	\$6,000
Partnered	\$6,000

Liquid Assets Waiting Period applicable in certain limited circumstances.
Applicable to Newstart Allowance, Youth Allowance, Sickness Allowance and Austudy.