

20 September 2017

While there are many different Centrelink payments and entitlements available, in this flyer we have outlined the criteria for the most common allowances, pensions and benefit cards.

Centrelink benefits

Age pension

The age pension is available to eligible individuals who have attained age pension age.

The age pension age increases incrementally until it reaches age 67 on 1 July 2023. Refer to the table below.

Date of birth between	Age eligible for age pension
1 July 1952 and 31 December 1953	65½
1 January 1954 and 30 June 1955	66
1 July 1955 and 31 December 1956	66½
From 1 January 1957	67

The age pension is subject to both the Centrelink income and assets tests.

Newstart allowance

This allowance can assist you financially whilst you are out of work.

Qualifying criteria

To qualify for Newstart allowance **all** of the following criteria must be met:

- be unemployed
- unless exempted, participate in or be willing to participate in approved activities and/or job search.
- enter into, comply with or vary an existing Employment Pathway Plan to fulfil the activity test.
- be over age 22 but under age pension age, and
- be an Australian resident and be living in Australia for the period of payment.

Although individuals between the age of 55 and age pension age can meet their obligation of seeking full time work by working voluntarily, they will not have to participate in the 'work for the dole scheme' compared to those individuals who are younger. Voluntary work is defined as work that benefits the community and which you don't profit from financially.

Newstart allowance is subject to both the Centrelink income and assets tests.

Parenting Payment

This allowance is paid to the main carer of a child. Only one parent or guardian can receive the payment.

Qualifying criteria

You may be eligible to receive Parenting Payment if you:

- are single and care for at least one child aged less than eight,
- have a partner and care for at least one child aged less than six.

The Parenting Payment is subject to both income and assets tests, so the amount you may receive depends on your situation.

Residency requirements also apply. To qualify, you generally need to be an Australian resident and in Australia on the day on which you lodge your claim. You must be:

- an Australian citizen, or
- the holder of a permanent-resident visa.

Carer Allowance

This fortnightly allowance is available to an individual who cares for a person who is disabled or has a severe medical condition that requires added attention.

Qualifying criteria

To qualify you must satisfy **both** of the conditions below:

- You are looking after a child under 16 or a person aged 16 years or over who has a disability, medical condition and requires care and attention on a daily basis.
- You provide the care for that person in either your home or the home of that person.

Carer Allowance is not subject to the Centrelink assets or income tests and is not taxable.

Disability Support Pension

Disability Support Pension (DSP) can be of assistance if you have a disability that prohibits you from working.

Qualifying criteria

You may receive a Disability Support Pension if:

- you are over 16 years but less than age pension age
- you are an Australian resident and in Australia when you claim
- you are permanently blind, or
- you have been assessed as having a physical, intellectual, or psychiatric impairment.

To assess your eligibility, a report from your doctor or specialist about your disability, injury or illness will be required. You may also need to have a job capacity assessment.

If you live with your parent(s), their assets and income levels will not be taken into consideration. You may also be able to qualify for pharmaceutical allowance.

Centrelink entitlements

Pharmaceutical Allowance

This allowance can assist you to purchase the prescription medications you require, and is included as a non-taxable payment. The medicines available are outlined in the Pharmaceutical Benefits Scheme (PBS).

Qualifying criteria

You may qualify for the Pharmaceutical Allowance if you are currently receiving an eligible allowance or payment.

Health Care Card (HCC)

If you are eligible for Centrelink payments, you may also be eligible for a health care card, which provides you with discounted medication, health care, public transport and energy and water bills. Be aware that the benefits can vary from state to state and some of these extra concessions are also available to dependants.

Although the HCC is linked to Centrelink allowances, payments or benefits which may be subject to the Centrelink assets or income test, the HCC itself isn't subject to the tests.

Qualifying criteria

To qualify you must meet the following criteria:

- You must currently be in receipt of a qualifying social security benefit.
- You must be a resident of, and live in, Australia.
- You must be in receipt of certain social security supplementary payments (such as the fortnightly maximum rate of Family Tax Benefit Part A by instalment, Carer Allowance (child), or Mobility Allowance but not qualify for a Pensioner Concession Card).

Pensioner Concession Card

The Pensioner Concession Card (PCC) provides you and your dependants with the following benefits:

- An increase in benefits for out-of-pocket, out-of-hospital medical expenses above a certain threshold through the Medicare Safety Net.
- Cheaper PBS-listed prescription medicines.
- Help with certain hearing services which include hearing tests and hearing aids.

Entitlements may also include:

- bulk-billed General Practitioner appointments
- other payments from Centrelink such as Telephone Allowance, Utilities Allowance, and the Seniors Concession Allowance.

Qualifying criteria

To qualify you must:

- be a resident of, and live in, Australia
- be receiving Age Pension, Disability Support Pension, Parenting Payment (Single) and Carer Payment or Sickness Allowance, Widows Allowance, Bereavement Allowance, Newstart Allowance and Youth Allowance
- be at least 60 years of age, or
- had your pension payment cancelled on 1 January 2017 due to changes to the pension assets test

Where the above does not apply, you don't have to be receiving a full pension to qualify for a PCC, but you have to be continuously receiving at least one of the particular social security payments for a minimum of nine months.

Commonwealth Seniors Health Card (CSHC)

The CSHC is targeted at self-funded retirees of age pension age who do not qualify for an age pension because of their asset and/or income assessment.

To qualify, you must:

- be at least age pension age
- be an Australian resident, or be in Australia to retain card, and/or
- have an annual adjustable taxable income of less than \$52,796 (single) and \$84,472 (couple combined).

Adjusted taxable income (ATI) – Definition

From 1 January 2015, the ATI for your tax year will be the sum of your:

- taxable income
- reportable fringe benefits (in excess of \$2,000)
- target foreign income
- net rental property loss
- income that is voluntarily salary sacrificed to superannuation (and personal deductible contributions)
- net financial investment loss
- deemed income from some account-based pensions.

Benefits of the CSHC

The CSHC provides holders with access to discounted pharmaceuticals through the Pharmaceutical Benefits Scheme. In addition, CSHC holders might also benefit from other concessions such as medical bulk billing, household transport, education and entertainment facilities.

Rent assistance

If you have limited means and pay rent to a private landlord for accommodation, you may qualify for rent assistance. Rent assistance is paid in addition to pensions, allowances, benefits or Family Payment that you may receive.

Qualifying criteria

You may be able to qualify for rent assistance if you pay more than a certain amount for:

- rent (other than for public housing)
- fees paid for a caravan site or similar, which you occupy as your principal home
- service and maintenance fees in a retirement village
- fees paid to moor a vessel you occupy as your principal home, or
- lodging (two thirds of the amount you pay for board and lodging).

To qualify, you must also meet at least one of the following criteria:

- You are a pensioner with no dependent children.
- You receive an allowance or benefit, have no children and are:
 - 25 or older, or
 - partnered, or
 - under 25 and living indefinitely apart from your parents or guardians
- A family receiving additional Family Tax Benefit to help you with the cost of raising your children.

Department of Veterans' Affairs (DVA)

Concession cards

Repatriation Pharmaceutical Benefits Card (orange card)

The orange card will entitle you to purchase your prescribed medications at a reduced cost. Once you've received up to the annual net level, you will not pay for further prescribed medication for the rest of that year. The orange card also qualifies you for a fortnightly Veterans supplement to assist with lowering the costs of prescription medications.

Repatriation Health Card (white card)

The white card will allow you to access health care and associated services for war or service-related conditions. If you are an Australian forces veteran, it will enable you to receive treatment for malignant cancer, post-traumatic stress disorder and pulmonary tuberculosis; this is regardless of whether or not these conditions are related directly to your war service.

Repatriation Health Card (gold card)

The gold card allows you to gain access to health care and related services for all health care needs and all conditions, whether or not they are related to your war service. You can receive a comprehensive range of hospital, pharmaceutical, medical, dental and allied health services, plus travel assistance to and from the nearest health care facilities.

Pensioner Concession Card

To be entitled to the Pensioner Concession Card you will have to receive means tested DVA income support. The benefits under this card are the same as the Centrelink Pensioner Concession Card.

Work Bonus

The work bonus is an incentive for pensioners of age pension age to work by reducing or removing the impact of employment income on the income test.

You do not have to apply for the Work Bonus. If you receive eligible employment income, the work bonus will be automatically applied to your income test.

- The first \$250 per fortnight of employment income is disregarded and any unused amount (between zero and \$250) is added to your Work Bonus balance, to a maximum of \$6,500.
- The Work Bonus balance is used to offset any future employment income you earn that exceeds \$250 in a fortnight.

All pensioners over age pension age (other than recipients of Parenting Payment Single) are eligible for the Work Bonus.

If your partner is a pensioner of age pension age and receives employment income, the Work Bonus will reduce his or her assessable employment income.

The Work Bonus applies to income from employment, paid inside Australia and outside Australia, including:

- wages paid in Australia and outside Australia
- leave, where you remain an employee of the same employer, and
- director's fees.

The Work Bonus is applied to assessable employment income before pension payment, but, not applied to income from:

- leave payments if you have terminated your employment
- self-employed income
- payments to you as a principal from sole traders or partnerships
- investments, or
- superannuation income.

If you do not work, the \$250 is saved and added to your Work Bonus balance to a maximum of \$6,500.

If you earn less than \$250 per fortnight, part of the Work Bonus reduces assessable income to zero, and the remainder is added to your balance.

If you earn exactly \$250 per fortnight, the assessable employment income reduces to zero, and your balance will not change.

If you earn more than \$250 per fortnight, the Work Bonus will reduce your assessable employment income by \$250. Then, any Work Bonus balance you have built up is used to reduce the remaining employment income.

Ask your Apt Wealth Partners financial planner for more information.

Disclaimer

The information in this document does not constitute financial product advice and is of a general nature only. It does not take into account your individual objectives, financial situation or needs. It should not be used, relied upon, or treated as a substitute for specific professional advice. Apt Wealth Partners (AFSL 436121 ABN 49 159 583 847) recommends that you obtain professional advice before making any decision in relation to your particular requirements or circumstances.