Centrelink Payments and Carers
Financial Information Service

Who We Are...

“Accessible information for all Australians”

Free, confidential service, available to all

We can help you understand:
• Your Financial Options
• Financial Planning Principles
• Tax & Social Security implications
• Superannuation
• Informed Investment Decisions
What we do...

Information about investment options
- Investment types and strategies
- Advantages and disadvantages
- Security and risk

Effect on
- Pensions and allowances
- Taxation

“Helping people make best use of their financial resources”

But, we do not...

Advise on or recommend any particular:
- Products
- Providers

Tell you what to do with your money
- That decision is yours

Assess pensions and allowances

“Financial Information... not Financial Advice”
Our service to you

- Financial Seminars
- Phone
- Personal consultations

132 300 or humanservices.gov.au/fis

Today’s Presentation

- Payment Options
- Respite care
- Review process
- Asset & Income Test
- Gifting
- Special Disability Trusts
- Concessions
This Information are intended to provide you with generic and high level information only.

This presentation is current at May 2016

While all care is taken in the preparation of information and material in this presentation, it is not intended for decision making purposes.

You are advised to contact your DHS Service Centre for full details of any entitlements and services for which you may be eligible, or for how any pending changes in legislation, programs or services may affect your individual circumstances.

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Centrelink provides payments and services for Carers and Care Recipients
Income Support Payments

1. Age Pension
2. Disability Support Pension
3. Carer Payment

Age Pension

Residing in Australia longer than 10 years and Aged pension age
Qualifications for Age Pension

<table>
<thead>
<tr>
<th>Birth Date</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently</td>
<td>65</td>
</tr>
<tr>
<td>1 Jul 1952 – 31 Dec 1953</td>
<td>65½</td>
</tr>
<tr>
<td>1 Jan 1954 – 30 Jun 1955</td>
<td>66</td>
</tr>
<tr>
<td>1 Jul 1955 – 31 Dec 1956</td>
<td>66½</td>
</tr>
<tr>
<td>From 1 Jan 1957</td>
<td>67</td>
</tr>
</tbody>
</table>

Qualifying ages for both Men & Women

Disability Support Pension

Disability Support Pension

- over 16 yo, but under Age Pension age
- medical impairment
- unable to work more than 15 hours pw for at least 2 years (or be retrained)

*Those who are able to work at least 15 hours pw will be expected to look for work.*
Carer Payment

- Paid to care provider
- Pension conditions
  - Rate of payment
  - Income and assets test
  - Concessions
- Resident in Australia

Carer Payment

The Carer
- Providing constant care for a person with a physical, intellectual or psychiatric disability
- (definition of constant care - significant daily care equivalent to a normal working day. Extended period being a minimum of 6 months.)
- Permanently or for an extended period

The Care Recipient
- Must receive an income support payment, or
- Meet special care receiver income and asset limits
Carer Payment

- A child being cared for must be profoundly disabled
- An adult being cared for must have a qualifying score under the Adult Disability Assessment Tool (ADAT)
- The person being cared for must be receiving a social security payment or service pension, or
- Meet the non customer care receiver income and asset test
- The carer must provide care on a daily basis
- The carer must have income and assets below the maximum allowed under the pensions income and asset test
- A carer can participate in work, training or voluntary work for up to 25 hours per week

Carer Allowance

- Income supplement
  - Currently $123.50 pf
  - No means test
  - Not taxable
- For providing daily care to a person with a disability or medical condition
Carer Allowance

- You look after a child or an adult with a severe disability or medical condition who requires daily care and attention
- You and the person you are caring for are Australian residents
- The child you are caring for has a recognised disability or has been assessed and rated under the Disability Load Assessment Determination (DCLAD)
- The adult you are caring for has been assessed under the Adult Disability Assessment Tool (ADAT)

Income and Assets
**Maximum Rates**

Includes Age Pension, Disability Pension and Carer Payment

- $873.90 pf
  - ($22,721.40 pa)
- $658.70 pf each
  - ($17,126.20 pa each)

Includes Base Pension, Pension Supplement and Energy Supplement

Rates current at March 2016

**Income Test - Single**

- Maximum rate if assessed income is below $162 pf ($4,212 pa)
- Rate reduces by 50c for each $1 of income above the free area
- No pension paid if income is above $1,909.80 pf ($49,654.80 pa)
Income Test - Couple

- Based on combined income
- Maximum rate if assessed income is below $288 pf ($7,488 pa)
- Each person's rate reduces by 25c for every $1 of income above the free area
- No pension paid if income is above $2,922.80 pf ($75,992.80 pa)

Income includes...

- Gross earnings from employment
  - including salary sacrificed income
  - less Work Bonus or Working Credit
- Overseas income
- Certain income streams and superannuation pensions
- Rent from real estate
- Farm or business income
- Deemed income on financial investments
• For those over Age Pension age, who receive a pension
• Disregard the first $250 per fortnight of earnings from employment

Margot earns $1,300 pf. Of this, $250 p/f is disregarded. Only $1050 p/f is assessed under the Age Pension income test.

Work Bonus Balance

• If you do not work, the Work Bonus amount is saved.
• This accumulates as a Work Bonus Balance.
• Balance can reach a maximum of $6,500.

Margot’s Work Bonus Balance is $500. She returns to work, earns $1,000 in a fortnight. The $1,000 income is reduced by $250 for the Work Bonus, and $500 Work Bonus Balance. Therefore, $250 of income is assessed.
Deeming

All financial investments are aggregated (cash, shares, bank accounts, investments, loans)

**Single**
- first $48,600 is assessed at 1.75%
- remainder is assessed at 3.25%

**Couples**
- first $80,600 combined is assessed at 1.75%
- remainder is assessed at 3.25%

... irrespective of the actual income received

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Asset Test

**Assets = the things that you own**

- different thresholds for
  - homeowners
  - non-homeowners
- assets above the threshold reduce pension at $1.50 pf per $1,000
  - Changes on 1/1/17 –details later
## Asset Test Thresholds

<table>
<thead>
<tr>
<th></th>
<th>Threshold*</th>
<th>Cut-out point</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeowner</td>
<td>$205,500</td>
<td>$788,250</td>
</tr>
<tr>
<td>Non-homeowner</td>
<td>$354,500</td>
<td>$937,250</td>
</tr>
<tr>
<td><strong>Couple</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeowner</td>
<td>$291,500</td>
<td>$1,170,000</td>
</tr>
<tr>
<td>Non-homeowner</td>
<td>$440,500</td>
<td>$1,319,000</td>
</tr>
</tbody>
</table>

* Thresholds are indexed annually on 1 July

## Asset Test changes from 1 January 2017

<table>
<thead>
<tr>
<th></th>
<th>Threshold</th>
<th>Cut-out point*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeowner</td>
<td>$250,000</td>
<td>$547,000</td>
</tr>
<tr>
<td>Non-homeowner</td>
<td>$450,000</td>
<td>$747,000</td>
</tr>
<tr>
<td><strong>Couple</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeowner</td>
<td>$375,000</td>
<td>$823,000</td>
</tr>
<tr>
<td>Non-homeowner</td>
<td>$575,000</td>
<td>$1,023,000</td>
</tr>
</tbody>
</table>

*These figures only approximate
Asset Test changes from 1 January 2017

Assets = the things that you own

- Anyone whose pension is cancelled due to these changes will be granted a Commonwealth Seniors Healthcare Card for life (until they are eligible for the age pension again)
- and if eligible a Low Income Card* (eligibility reviewed annually)

*Assessed on income only

Assets include...

- Motor vehicles, boats, caravans etc
- Household contents and personal effects
- Bank accounts, investments, loans
- Real estate (net value)
- Farms, businesses (net value)
- Antiques, collectables
- Gifting
Valuing Assets

- Net market value
- Motor vehicles, household contents etc
  - your estimate
- Real estate
  - current market value
  - Australian Valuation Office
- Financial investments
  - current value or account balance

Assets DO NOT include...

- Principal home and surrounding land on same title
- Accommodation bond or RAD paid for aged care
- Funeral bonds, prepaid funerals
- Special disability trusts
- Superannuation/rollover investments
  - Until Age Pension age or converted to a pension
- Complying income streams bought before 20 September 2007
  - Must meet specific criteria
Pension Rate Paid

The applicable test may change as your circumstances change

Blindness

Disability Support Pension or Age Pension for a person who is blind

Paid at maximum rate
- single $873.90 pf ($22,721.40 pa)
- member of a couple $658.70 pf ($17,126.20 pa each)

Exempt from income and assets tests
Gifts

Gifting and Deprivation - up to:
• **Single** - $10,000 per financial year*
• **Couple** - $10,000 combined per financial year*
• $30,000 in any 5 year rolling period

Excess over limits
• Assessed as an asset for 5 years
• Added to financial investments, deemed 5 yrs.

* includes the 5 years prior to Pension claim

Special Disability Trusts

• Introduced 20 Sept 2006
• Succession planning for people with a severe disability
• Eligible family members of age pension age can receive a gifting concession up to $500,000
• Asset Test exemption of up to $636,750 for the principal beneficiary
Special Disability Trusts

- Specific criteria must be met
- Care and accommodation only
- Severely disabled
- Ring 1800 734 750

www.dss.gov.au

Carer Supplement

lump sum every July

- **Carer Payment** recipient
  - $600 per annum

- **Carer Allowance** recipient
  - $600 pa per annum for each person cared for
  - $1000 Child Disability Assistance payment to be paid annually to a person receiving Carer Allowance, on 1 July for each child being cared for under 16 years of age
Carer Supplement

- Tom cares for his wife Jean and receives both Carer Payment and Carer Allowance.
- Tom is paid Carer Supplements of $1,200 pa

Concessions
Pensioner Concession Card

- all pension recipients
- primary entitlements
  - health, pharmaceutical
  - transport
  - household bills
- informal entitlements
  - club memberships, sports, entertainment

Commonwealth Seniors Health Card

- Age Pension age
- adjusted taxable income below
  - $52,273 - single
  - $83,636 - couple (combined)
- no asset test
Other Concessions

- Health care card
- Low income health care card
- State seniors cards

Reviews
Carer Reviews

- Medical Reviews occur 2 yearly
- Care and attention provided on an ongoing basis
- Significant disability still in existence
- Income and Asset reviews issued randomly

Respite Care

- a period when a care receiver temporarily leaves your care
- up to 63 days in a calendar year
- can continue to qualify for Carer Payment or Allowance during respite period
- part day respite does not count towards 63 days
**Hospitalisation**

- Carer Payment or Allowance continues during temporary hospital admissions
- up to 63 days in a calendar year
- in addition to the 63 days respite care
- if care receiver enters hospital or residential aged care on a permanent basis, Carer Payment or Allowance can no longer be paid

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**Travelling Overseas**

- depends on whether the carer, caree or both travel overseas
- Carer Payment or Allowance can be paid for temporary absence, up to 6 weeks
- DSP payment can be paid for 4 weeks
- must tell Centrelink before going overseas
- Carer Payment or Allowance is cancelled if leaving Australia permanently
Carers at Age Pension Age

• transfer to Age Pension is not mandatory
• choose your best income support option
  – Age Pension
  – Carer Pension
  – Disability Support Pension
• those receiving Age Pension may transfer to Carer Payment (a claim is required)

NB: Carer Supplement is only paid to recipients of Carer Payment and/or Carer Allowance

Centrelink Services
Online Services

- Telephone or web self service
- Register
- Check your details
  - View income and assets
  - Payment details
  - Make claims online
  - Request cards & statements
  - Many others

mygov.gov.au

Other Services

- News for Seniors
- Human Services
- Multicultural Service
  - Phone service
  - Leaflet translations
- Indigenous Customer Liaison Officers
- Social Workers
Express Plus Apps for your Mobile

Express Plus is a simple, fast, mobile way to do some of your business with us and give you more choices to manage your own records.

Express Plus Apps

Use the Express Plus App to:

• Update your contact details
• Subscribe to and view your online letters
• View your payments and transaction history
• Capture and upload documents
• Available for free at:

Available on the App Store

Get it on Google Play
EFT for Medicare and PBS

From 1 July 2016, Medicare and PBS customers will only be able to receive their payment via Electronic Funds Transfer (EFT).

Customers will need to register their bank details with Medicare prior to 1 July 2016 to receive their refunds.

You can provide your bank account details via the following:
• complete a Bank Account Details collection form
• call us, or visit a local Service Centre
• through your Medicare online account via myGov; or
• through the Express Plus Medicare App

You should have your Medicare card and bank account details with you when you register. You will also need to advise us if these details change.

FIS Seminars

FIS presents seminars which may interest you

Topics include:
• Investing with Safety
• Superannuation
• Income Streams
• Accommodation Options

For further information, check out: humanservices.gov.au/fis
then click on ‘Seminars’
Humanservices.gov.au/fis

Retirement  132 300

Disability and Carers  132 717

Multilingual Service  131 202

Any questions?
Thank you!