

# Understanding Social Security Payments

## General Advice Disclaimer

The advice contained within this document is general advice only. It has been prepared without taking into account your objectives, financial situation or needs. Before acting on this advice you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. If any products are detailed, you should obtain a Product Disclosure Statement relating to the products and consider its contents before making any decisions.

Barnett Financial Planning Pty Ltd disclaim all and any guarantees, undertakings and warranties, expressed or implied, and shall not be liable for any loss or damage whatsoever (including human or computer error, negligent or otherwise, or incidental or consequential loss or damage) arising out of or in connection with any use or reliance on the information or advice contained this document. The user must accept sole responsibility associated with the use of the material on this site, irrespective of the purpose for which such use or results are applied. The information within this document is no substitute for financial advice.

## Centrelink/Family Assistance

The following is a brief description of the various Social Security and Family Assistance benefits available. This is not an exhaustive list, so individuals should seek advice on the benefits they think they might be eligible for.

Payment	General explanation
Family Tax Benefit part A	Not subject to assets test
	Income test applies unless recipient or partner is also in receipt of Centrelink/DVA Payments
	Paid to parent, guardian or approved care organisation. Must have a dependent child aged under 21 or qualifying dependent full-time student aged 21-24 (dependant must not be in receipt of Centrelink payments and the child or student's income must be less than a certain amount)
	May also include Large Family Supplement, Multiple Birth Allowance, Rent Assistance and Health Care Card
Family Tax Benefit Part B	Not subject to assets test
	For two parent families, the higher income earner can earn \$100,000 or less per annum. If so, the lower income earner can earn up to \$5,402 per annum before the maximum rate reduces
	For single parent families, up to \$100,000 per annum can be earned to receive maximum rate. If income is over \$100,000 FTB part b is not payable
	Family must have either a dependent child under age 16 or qualifying dependent full-time student up to age 18 who is not in receipt of Centrelink payments
Parenting Payment	Subject to an income and assets test
	Can be paid to only one member of a couple

	If single, the parent, grandparent, or foster, carer must care for at least one child under 8 years of age																														
	If a couple, the parent, grandparent, or foster, carer must care for at least one child under 6 years of age																														
	From 1 January 2013 those receiving the parenting payment on 1 July 2006, will no longer receive the payment when the youngest child turns 6 (for partnered recipients) and 8 (for single recipients).																														
<b>Pensions</b>	<b>General explanation</b>																														
Age Pension	Paid to men and women who meet criteria below:																														
	For males, age pension age is currently 65. However, this will increase to age 67 by 2023 starting from 1 July 2017 and will depend on when the individual was born. Age pension age for males is shown in the table below.																														
	<table border="1"> <thead> <tr> <th>Date of Birth</th> <th>Age pension age</th> </tr> </thead> <tbody> <tr> <td>Before 30 June 1952</td> <td>65</td> </tr> <tr> <td>1 July 1952 to 31 Dec 1953</td> <td>65.5</td> </tr> <tr> <td>1 January 1954 to 30 June 1955</td> <td>66</td> </tr> <tr> <td>1 July 1955 to 31 December 1956</td> <td>66.5</td> </tr> <tr> <td>1 January 1957 or later</td> <td>67</td> </tr> </tbody> </table>	Date of Birth	Age pension age	Before 30 June 1952	65	1 July 1952 to 31 Dec 1953	65.5	1 January 1954 to 30 June 1955	66	1 July 1955 to 31 December 1956	66.5	1 January 1957 or later	67																		
Date of Birth	Age pension age																														
Before 30 June 1952	65																														
1 July 1952 to 31 Dec 1953	65.5																														
1 January 1954 to 30 June 1955	66																														
1 July 1955 to 31 December 1956	66.5																														
1 January 1957 or later	67																														
	Age pension age for females is shown in the table below:																														
	<table border="1"> <thead> <tr> <th>Date of Birth</th> <th>Age pension age</th> </tr> </thead> <tbody> <tr> <td>1 July 1935 to 31 Dec 1936</td> <td>65.5</td> </tr> <tr> <td>1 January 1937 to 30 June 1938</td> <td>61</td> </tr> <tr> <td>1 July 1938 to 31 December 1939</td> <td>61.5</td> </tr> <tr> <td>1 January 1940 to 30 June 1941</td> <td>62</td> </tr> <tr> <td>1 July 1941 to 31 Dec 1942</td> <td>62.5</td> </tr> <tr> <td>1 January 1943 to 30 June 1944</td> <td>63</td> </tr> <tr> <td>1 July 1944 to 31 December 1945</td> <td>63.5</td> </tr> <tr> <td>1 January 1946 to 30 June 1947</td> <td>64</td> </tr> <tr> <td>1 July 1947 to 31 December 1948</td> <td>64.5</td> </tr> <tr> <td>1 January 1949 to 30 June 1952</td> <td>65</td> </tr> <tr> <td>1 July 1952 to 31 December 1953</td> <td>65.5</td> </tr> <tr> <td>1 January 1954 to 30 June 1955</td> <td>66</td> </tr> <tr> <td>1 July 1955 to 31 December 1956</td> <td>66.5</td> </tr> <tr> <td>1 January 1957 or later</td> <td>67</td> </tr> </tbody> </table>	Date of Birth	Age pension age	1 July 1935 to 31 Dec 1936	65.5	1 January 1937 to 30 June 1938	61	1 July 1938 to 31 December 1939	61.5	1 January 1940 to 30 June 1941	62	1 July 1941 to 31 Dec 1942	62.5	1 January 1943 to 30 June 1944	63	1 July 1944 to 31 December 1945	63.5	1 January 1946 to 30 June 1947	64	1 July 1947 to 31 December 1948	64.5	1 January 1949 to 30 June 1952	65	1 July 1952 to 31 December 1953	65.5	1 January 1954 to 30 June 1955	66	1 July 1955 to 31 December 1956	66.5	1 January 1957 or later	67
Date of Birth	Age pension age																														
1 July 1935 to 31 Dec 1936	65.5																														
1 January 1937 to 30 June 1938	61																														
1 July 1938 to 31 December 1939	61.5																														
1 January 1940 to 30 June 1941	62																														
1 July 1941 to 31 Dec 1942	62.5																														
1 January 1943 to 30 June 1944	63																														
1 July 1944 to 31 December 1945	63.5																														
1 January 1946 to 30 June 1947	64																														
1 July 1947 to 31 December 1948	64.5																														
1 January 1949 to 30 June 1952	65																														
1 July 1952 to 31 December 1953	65.5																														
1 January 1954 to 30 June 1955	66																														
1 July 1955 to 31 December 1956	66.5																														
1 January 1957 or later	67																														
	Other conditions apply (including residential requirements)																														
<b>Pensions</b>	<b>General explanation</b>																														
Pension Bonus Scheme	Closed to new entrants since 20 Sep 2009-eligible individuals must have registered																														

	before 1 March 2014
	One-off payment paid to people who work and defer claiming the age pension for a minimum of 12 months after registration (maximum of 5 bonus years and cannot accrue any bonus after age 75)
	Bonus is tax free and amount is based on length of deferral of pension, rate of pension payable and whether a person is partnered
	Bonus is tax free and amount is based on length of deferral of pension, rate of pension payable and whether a person is partnered
	Bonus is tax free and amount is based on length of deferral of pension, rate of pension payable and whether a person is partnered
	Can claim this bonus as well as the age pension when finally retired
	Other conditions apply
Disability Support Pension	Must be either permanently blind or have a physical, intellectual or psychiatric impairment and meet certain criteria
	No income or assets test if permanently blind
	Paid to persons age 16 or over and under age pension age
	Meet certain conditions as required by Centrelink to qualify for payment
Work Bonus	First \$300 p/f from employment income is exempt from the income test
	Can save an unused exempt amounts from work bonus up to a maximum of \$7,800 per annum
	Pensioners over age pension age eligible
Carer Payment	Paid to person providing constant care to another person needing care permanently or for an extended period (not required to live with or adjacent to person being cared for)
	Cannot be paid if already in receipt of another income support payment
	Receiver of care must: -have physical, intellectual or psychiatric disability OR -be a child with severe disability or medical condition OR -be two or more children with disabilities OR -be an adult with a dependent child in their care.
	The receiver of care must be in receipt of Centrelink/DVA income support OR does not have a qualifying residence for pension OR meet the care receiver income and assets test limits (see Centrelink regarding this)
Allowances	General explanation

Newstart Allowance	Paid to a person age 21 or over but under age pension age and looking for paid work
	Must be prepared to enter into an 'employment pathway plan' and meet activity test requirements
Partner Allowance	Paid to a member of a couple (partner must be in receipt of a qualifying pension, allowance, Austudy or ABSTUDY payment at time of claim) who is born on or after 1 July 1955
	No new grants from 20 September 2003
<b>Other benefits</b>	<b>General explanation</b>
These are other benefits that are paid by Centrelink. Please consult a Centrelink officer for more information on these benefits	Double Orphan Pension, Wife pension, Bereavement allowance, Widow B Pension, Youth Allowance, Austudy Payment, Pensioner Education supplement , ABSTUDY Scheme, Assistance for isolated Children, Sickness allowance, Widow Allowance, Special benefit, Mobility Allowance, CDEP Participant Supplementary (CPS) and supplementary Benefits (add-ons), Remote Area Allowance, Crisis payment
<b>Concessions</b>	<b>General explanation</b>
Health Care Card	Must be below age pension age
	Issued every 6 months
	No assets test applies
	Automatically issued to persons in receipt of most Centrelink allowances and payments of Family Tax Benefit A
	May also be issued to other groups of people in certain circumstances
Pensioner Concession Card	Automatically issued to all persons in receipt of eligible DVA and Centrelink pensions, certain allowances (including if age 60 or over) and other qualifying persons
	May be retained for a short time in certain cases where a person loses qualification to the relevant Centrelink payment
Commonwealth Seniors Health Card( CSHC)	Targeted at self-funded retirees who do not qualify for the age pension because of assets or income levels
	Need to meet income test: - have an annual adjusted taxable income of less than \$55,808 for singles, \$89,290 for couples (combined income), or - \$111,616 (combined income), for couple separated by illness, respite care or jail. - do not qualify for a Centrelink pension or DVA Service Pension
	Other conditions also apply
	No assets test applicable

Seniors Supplement	Paid to eligible CHSC holders
Pension Supplement and Clean Energy Supplement	Paid to eligible recipients of certain Centrelink benefits (including age pension and disability support pension)
Carer Supplement	Paid to carer Allowance and Carer payment recipients
Rent Assistance	Paid to qualifying recipients who are paying private rent, ie not paying rent to a government housing authority
	If paid to a couple both in receipt of a qualifying payment, the rent assistance is shared
	Not paid to single persons with no dependants and living with parent or guardian
	Paid to families with dependant children, who get more than the base rate of Family Tax Benefit
	Rental verification is required

### **Centrelink means testing: the income and assets tests**

Centrelink determines eligibility for benefits by assessment of income and assets against preset figures. To keep up to date with the rising costs and values of assets, these figures are indexed on a quarterly basis. The figures used in this document are valid as at 20<sup>th</sup> of September 2020.

Should you have received this after this time period, the following figures may be slightly different and will not give you an accurate depiction of your entitlements. It is therefore strongly advised that you contact your Centrelink officer, Financial Planner, or go to [www.centrelink.gov.au](http://www.centrelink.gov.au) and follow the links.