

● AGE PENSION

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The Age Pension is a government payment designed to help retirees meet their income needs.

BENEFITS

- The Age Pension provides a regular income stream to improve your cashflow.
- Your assets may last longer, because the increased cashflow means you will have less need to draw on your personal investments.
- You will be entitled to a concession card to reduce the cost of some expenses (such as reduced cost medicines).

HOW IT WORKS

To qualify for the Age Pension, you first need to meet age and residency requirements. Centrelink then determines your entitlement based on your level of income and assets.

Age Pension payments are made fortnightly and can be paid directly into a savings account, such as a bank, building society or credit union account.

AGE REQUIREMENTS

Depending on your birthdate, the age pension age commences from 65 years and 6 months and increase by 6 months every 2 years until Age Pension age is 67 on 1 July 2023.

| Date of birth | Eligible age |
|---------------------------------|-----------------------|
| Before 1 July 1952 | 65 |
| 1 July 1952 to 31 December 1953 | 65 years and 6 months |
| 1 January 1954 to 30 June 1955 | 66 years |
| 1 July 1955 to 31 December 1956 | 66 years and 6 months |
| From 1 January 1957 | 67 years |

RESIDENCE REQUIREMENTS

The residency requirements currently require that you have been an Australian resident for at least 10 years with at least 5 years in a continuous period. You must still be an Australian resident living in Australia when you lodge the claim.

The residency timeframe may be lower if you are covered by certain International Social Security Agreements.

To receive Age Pension or Disability Support Pension (DSP), a person will need to have:

- 10 continuous years of Australian residence including at least five years during their Australian working life, or
- 10 continuous years of Australian residence and proof they have not received activity tested income support for cumulative periods of five years or more, or
- 15 years of continuous Australian residence.

Residence during a person's working life is the number of years a person has resided (lived permanently) in Australia between age 16 and age pension age.

Existing exemptions to the residence requirements for Age Pension and DSP will stay the same.

AGE PENSION PAYMENT RATES

Payment rates are indexed. You should refer to the References section below for the latest payment rates.

The rate payable will depend on whether you are single or a member of a couple and your means test assessment. This payment also includes a pension supplement (which is paid at a minimum rate) and an energy supplement.

The means test uses an income test and an assets test. The one that produces the lowest rate of pension is the one that applies.

PENSIONER CONCESSION CARD (PCC)

If you are eligible for the Age Pension, you will also be entitled to a PCC to help reduce your expenses.

The PCC gives you access to a range of discounted medical services funded by the government including cheaper prescription medicines through the Pharmaceutical Benefits Scheme (PBS). Doctors may bulk bill if you hold this card and you may also receive some concession through your state, territory or local government. The range of concessions will vary depending on where you live, please refer to the References section below.

WHAT YOU NEED TO CONSIDER

- If you are permanently blind, you can receive the full Age Pension as the means-tests are not applied.
- Other benefits, such as Rent Assistance, may also be payable.
- The Age Pension is taxable income however you may be eligible for the Senior Australians and Pensioners Tax Offset to help to reduce your tax liability.
- You are required to tell Centrelink within 14 days about any change in your circumstances that may affect your payment.
- Payments may be affected if you go overseas for extended periods of time. You should check details with Centrelink before leaving the country.



REFERENCES

You may wish to refer to the following websites for further information about the age pension:

- www.ato.gov.au
- www.moneysmart.gov.au
- www.serviceaustralia.gov.au

The information in this document is of a general nature and does not take into account your own financial objectives, circumstances or needs. You should consider your own personal situation and requirements before making a decision.

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