



Age Pension

Age Pension is a safety net for those who are not able to fully provide for themselves in retirement. It helps to ensure that everybody has an adequate income when they retire.

To qualify, you must first satisfy age and residence requirements. The amount of pension you receive will depend on your income and assets and other circumstances.

Pension Bonus Scheme

Under the Pension Bonus Scheme, if you defer claiming the Age Pension and stay in the workforce, you can get a tax free lump sum bonus at the end of your working life.

To be paid a Pension Bonus you must be a registered member of the Pension Bonus Scheme. To register in PBS you must have reached Age Pension age before 20 September 2009.

The PBS is entirely voluntary.

Definition of a partner

For Centrelink purposes a person is considered to be **your partner** if you and the person are living together, or usually live together, and are:

- married, **or**
- in a registered relationship (opposite or same-sex), **or**
- in a de facto relationship (opposite or same-sex).

Centrelink recognises all couples, opposite-sex and same-sex.

A registered relationship is one that is registered under certain prescribed state and territory laws that provide for registration of relationships – opposite or same-sex.

A de facto relationship is where two people who are not married are living together – or usually live together – and are members of a couple. A de facto relationship can be between people of the opposite or same-sex. Centrelink considers a couple to be in a de facto relationship from the time they commence living together as a member of a couple.

If you identify yourself as a member of a couple, Centrelink will not generally undertake an assessment of your relationship. Where an assessment is required, establishing whether two people are members of a couple involves consideration of the financial and social aspects of the relationship, nature of the household, presence or absence of a sexual relationship and nature of the commitment. Evidence relating to these factors is considered, although not all factors need to be present for a decision that a person is in a de facto relationship to be made.

You can get more information from the factsheet titled *Are You a Member of a Couple?* from your local Centrelink Customer Service Centre, you can contact Centrelink to request a copy or you can go to our website at www.centrelink.gov.au

For more information

Call Centrelink on **13 2300**, visit your local **Centrelink Customer Service Centre** or go to our website at www.centrelink.gov.au

Note: Calls from your home phone to Centrelink 13 numbers from anywhere in Australia are charged at a fixed rate. That rate may vary from the price of a local call and may also vary between telephone service providers. Calls to 1800 numbers from your home phone are free. Calls from public and mobile phones may be timed and charged at a higher rate.

If you have a hearing or speech impairment

TTY service Freecall™ **1800 810 586**. A TTY phone is required to use this service.

Please keep this Information Booklet.

Enquiries

For enquiries about Age Pension and Centrelink's retirement services, please call **13 2300**.

To speak to Centrelink in languages other than English call **13 1202**.

Information online – If you would like further information on Centrelink services and payments, you can go to our website at **www.centrelink.gov.au**

Interpreters and translations

If you need an **interpreter** or **translator** of other documents for Centrelink business, we will arrange this for you free of charge.

Information in other languages

Arabic

لتحدث مع العاملين في Centrelink باللغة العربية. اتصل على الرقم **13 1202***. توجد معلومات بلغتك أيضا على شبكة الإنترنت على العنوان:

www.centrelink.gov.au

* يمكن إجراء مكالمات للأرقام التي تبدأ بالعدد "13" من أي مكان داخل أستراليا باستخدام التليفونات المعتادة بتكلفة لا تتعدى ثمن المكالمات المحلية (قد تختلف التكلفة وفقاً لموفر خدمة التليفون). المكالمات التي تُجرى للأرقام التي تبدأ بالعدد "1800" مجانية. قد تُفرض على المكالمات التي يتم إجراؤها من التليفونات العمومية أو باستخدام التليفونات الجوّالة "الموبايل" رسوم بمعدلات أعلى.

Bosnian

Da biste kontaktirali Centrelink na bosanskom jeziku, nazovite **13 1202***. Informacije na vašem jeziku možete također naći na internet stranici, na **www.centrelink.gov.au**

* Pozivi na brojeve koji počinju sa "13" se mogu obaviti sa standardnih telefona iz svih dijelova Australije po cijeni koja nije viša od cijene lokalnog razgovora (cijene razgovora se mogu razlikovati kod različitih telefonskih kompanija). Pozivi na brojeve koji počinju sa "1800" su besplatni. Pozivi iz javnih govornica i sa mobitela se mogu naplaćivati i po višoj tarifi.

Chinese

如果您希望使用中文聯絡Centrelink，請致電**13 1202***。中文資訊也可以在 **www.centrelink.gov.au**網站上找到。

* 在澳洲境內任何地區使用標準電話服務撥打 "13" 開頭的電話號碼每次費用不超過本地電話費（不同電話公司收費可能有所不同）。"1800" 開頭號碼為免費電話。公用電話或移動電話收費可能較高。

Croatian

Ako želite na hrvatskom razgovarati s Centrelinkom, nazovite **13 1202***. Informacije na svom jeziku možete isto tako naći na internet stranici **www.centrelink.gov.au**

* Pozivi preko standardne telefonske službe, na brojeve koji počinju sa "13", koristeći se standardnom telefonskom službom diljem Australije, neće biti zaračunati više od cijene mjesenog poziva (naplate se mogu razlikovati ovisno o korištenom pružatelju telefonskih usluga). Pozivi na brojeve koji počinju sa "1800" su besplatni. Pozivi iz javnih govornica ili s mobitela mogu biti skuplji.

Greek

Για να μιλήσετε στο Centrelink στα Ελληνικά, καλέστε το **13 1202***. Πληροφορίες στη γλώσσα σας διατίθενται επίσης στο δικτυακό τόπο στο **www.centrelink.gov.au**

* Κλήσεις σε αριθμούς "13" από κανονική τηλεφωνική υπηρεσία μπορούν να γίνουν από οπουδήποτε εντός Αυστραλίας για όχι περισσότερο από το κόστος μιας τοπικής κλήσης (οι χρεώσεις κλήσεων μπορεί να ποικίλλουν ανάλογα με το φορέα τηλεφωνικών υπηρεσιών). Οι κλήσεις σε αριθμούς "1800" είναι δωρεάν. Οι κλήσεις από δημόσια και κινητά τηλέφωνα μπορεί να χρεώνονται σε υψηλότερη τιμή.

Hungarian

Ha magyarul szeretne beszélni a Centrelink hivatalal, hívja a **13 1202*** telefonszámot. Magyar nyelvi felvilágosítást találhat a **www.centrelink.gov.au** című honlapon is.

* A "13-as" számmal kezdődő hívások minden vezetékes telefonszolgáltatárról, Ausztráliában bárhol, helyi hívás árába kerülnek. (Az ár a telefonszolgáltató díjazásától függően változik). Az "1800-as" számmal kezdődő telefonszámok hívása ingyenes. A nyilvános telefonfülkékből és mobil telefonokról való hívás díja esetenként magasabb.

Italian

Per parlare con il Centrelink in italiano, chiamate il numero **13 1202***. Informazioni in italiano si trovano anche al sito **www.centrelink.gov.au**

* Le chiamate con prefisso "13" da un servizio telefonico standard possono essere effettuate da qualsiasi località in Australia ad un costo non superiore alla tariffa di una telefonata locale (Le tariffe di chiamata potrebbero variare a seconda dell'azienda telefonica interessata). Le chiamate ai numeri con prefisso "1800" sono gratis. Le chiamate effettuate da telefoni pubblici e da cellulari potrebbero essere soggette a tariffe superiori.

Khmer

ដើម្បីនិយាយទៅកាន់ Centrelink ជាភាសាខ្មែរ សូមទូរស័ព្ទទៅលេខ **13 1202*** ។ លោកអ្នកក៏អាចរកឃើញ ព័ត៌មានជាភាសាលោកអ្នក នៅតាមទីបំណង **www.centrelink.gov.au** ផងដែរ។

* លោកអ្នកអាចប្រើកិច្ចប្រតិបត្តិទូរស័ព្ទស្តង់ដារនៅគ្រប់ទីកន្លែងទាំងអស់ក្នុងប្រទេសអូស្ត្រាលី ដើម្បីទូរស័ព្ទទៅលេខចាប់ផ្តើមដោយលេខ "13" ដោយបង់ថ្លៃមិនលើសពីថ្លៃទូរស័ព្ទក្នុងតំបន់ ឡើយ (ថ្លៃទូរស័ព្ទអាចមានតម្លៃខុសគ្នា ដោយអាស្រ័យលើក្រុមហ៊ុនផ្តល់កិច្ចប្រតិបត្តិទូរស័ព្ទ)។ ទូរស័ព្ទទៅលេខចាប់ផ្តើមដោយលេខ "1800" គឺឥតមានគិតថ្លៃទេ។ ទូរស័ព្ទចេញពីទូរស័ព្ទសាធារណៈ ដែលត្រូវបង់ប្រាក់ ទូរស័ព្ទចម្លង និងត្រូវបង់ថ្លៃតាមអត្រាខ្ពស់ជាងនោះ។

Polish

Aby porozumieć się z Centrelink po polsku, zadzwoń pod **13 1202***. Informacje po polsku dostępne są również na stronie internetowej **www.centrelink.gov.au**

* Pod numery zaczynające się od 13 możesz dzwonić ze standardowych telefonów na terenie całej Australii za cenę nie przekraczającą kosztu rozmowy miejscowej (koszt ten może się zmieniać w zależności od przedsiębiorstwa zapewniającego połączenia telefoniczne). Rozmowy z numerami zaczynającymi się od 1800 są bezpłatne. Rozmowy z budek telefonicznych oraz telefonów komórkowych mogą być naliczane według wyższej taryfy.

Russian

Чтобы поговорить с Centrelink по-русски, звоните по телефону **13 1202***. Информацию на русском языке также можно найти на вебсайте **www.centrelink.gov.au**

* Звонки по номерам, начинающимся с "13", можно делать из любой точки Австралии по обычному телефону по стоимости местного звонка (стоимость звонка может варьироваться в зависимости от провайдера телефонных услуг). Звонки по номерам, начинающимся с "1800", бесплатны. Звонки из телефонов-автоматов и с мобильных телефонов оплачиваются по более высокому тарифу.

Serbian

Da biste razgovarali sa Centrelink-om na srpskom, nazovite **13 1202***. Informacije na vašem jeziku možete takođe da nađete na veb-sajtu na **www.centrelink.gov.au**

* Pozivi na brojeve koji počinju sa "13" sa standardnog telefona iz bilo kog mesta u Australiji neće koštati više od cene lokalnog poziva (cene poziva mogu biti različite kod različitih telefonskih kompanija). Pozivi na brojeve koji počinju sa "1800" su besplatni. Pozivi sa javnih i mobilnih telefona mogu da se naplate po višoj tarifi.

Spanish

Para hablar con Centrelink en español, llame al **13 1202***. También encontrará información en español en el sitio web **www.centrelink.gov.au**

* Las llamadas a los números con característica "13" pueden ser efectuadas desde cualquier localidad de Australia a un costo no superior al de una llamada local, si se realizan desde un teléfono común (el costo de la llamada depende de la compañía prestataria del servicio telefónico). Las llamadas a los números con característica "1800" son gratuitas. Una tarifa más elevada puede aplicarse a las llamadas realizadas desde teléfonos públicos o celulares.

Vietnamese

Muốn nói chuyện với Centrelink bằng tiếng Việt, xin điện thoại số **13 1202***. Ngoài ra, thông tin bằng tiếng Việt còn được phổ biến tại website: **www.centrelink.gov.au**

* Dùng điện thoại bình thường gọi đến số bắt đầu bằng số "13" từ khắp nơi trên nước Úc chỉ tốn nhiều nhất bằng cước điện thoại gọi địa phương (các công ty điện thoại có thể tính cước điện thoại khác nhau). Gọi đến số điện thoại bắt đầu bằng số "1800" thì miễn phí. Gọi bằng điện thoại công cộng và điện thoại di động có thể phải trả theo giá biểu mức hơn.

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Age Pension

To qualify for Age Pension, you must first satisfy the age and residence requirements. Centrelink then works out how much Age Pension is payable. This depends on your income and assets and other circumstances.

Age requirements

Women born before 31 December 1945 have reached Age Pension age. Men born before 31 December 1945 reach Age Pension age at age 65.

The table below describes the gradual increases in the qualifying age for Age Pension.

Born	Women eligible for Age Pension at age	Men eligible for Age Pension at age
1 January 1946 to 30 June 1947	64	65
1 July 1947 to 31 December 1948	64 ½	65
1 January 1949 to 30 June 1952	65	65
1 July 1952 to 31 December 1953	65 ½	65 ½
1 January 1954 to 30 June 1955	66	66
1 July 1955 to 31 December 1956	66 ½	66 ½
From 1 January 1957	67	67

Australian residence requirements

To claim Age Pension and the Pension Bonus Scheme you must be an Australia resident and in Australia when you lodge your claim.

An Australian resident (as defined by the *Social Security Act 1991*) is a person who lives permanently in Australia and is one of the following:

- an Australian citizen, or
- the holder of a permanent visa, or
- the holder of a Protected Special Category Visa, that is, someone who arrived on a New Zealand passport and who was in Australia on 26 February 2001, or for 12 months in the 2 years immediately before this date, or was assessed as 'protected' before 26 February 2004.

To qualify for an Age Pension, you must also have lived in Australia as an Australian resident for:

- 10 years continuously, or
- at least 5 years continuously at any time and more than 10 years in total, or
- 2 years immediately before claim, if you are a woman who was widowed while both you and your partner were Australian residents.

Some people do not need the 10 or 2 years qualifying residence. These are people living in Australia who:

- are or were refugees on arrival in Australia, or
- were in receipt of Widow Allowance, Partner Allowance, Widows B pensions, or Mature Age Allowance when they turned Age Pension age.

Information may be received directly from the Department of Immigration and Citizenship and can be used to allow Centrelink to automatically determine your residence qualifications for these payments.

Check with Centrelink if you are unsure about your circumstances.

International Social Security Agreements

Australia has International Social Security Agreements with a number of countries. These may help you qualify for Age Pension even if you do not have a long enough period of Australian residence. For more information, see the *Australia's International Social Security* factsheet, call Centrelink on **13 2300** or visit **www.centrelink.gov.au**

Income and assets

How much Age Pension you get will depend on your circumstances and your (and or your partner's) income and assets.

Centrelink calculates the amount that could be paid to you, and if applicable, to your partner under both the income test and the assets test. The test giving the lower rate of payment is the one used to pay you and/or your partner.

Age Pension (BLIND) – If you are claiming Age Pension and you are permanently blind, there is no income and assets test (unless you are also applying for Rent Assistance or Family Tax Benefit).

If your partner is not permanently blind and is also claiming a Centrelink payment, then you will need to disclose your combined income and assets.

If you are not income and assets tested, you will still have to tell Centrelink if you receive compensation or New Enterprise Incentive Scheme (NEIS) or Community Development Employment Projects (CDEP) payments, change relationship status or leave Australia temporarily or permanently.

The income test

Income includes money earned from employment and money deemed to be earned from investments. It also includes money from outside Australia.

You can have income up to certain limits without having your Age Pension payments reduced. These income limits are called 'allowable income limits'.

If your income is more than the allowable income limit: for every dollar you receive over the limit, your pension will be reduced by 50 cents per fortnight (singles). If you are partnered, every extra dollar will reduce each of your pensions by 25 cents per fortnight.

There is a Work Bonus for pensioners over age pension age. This means that half of the first \$500.00 of gross employment income will be disregarded each fortnight in addition to the Income Free Area. The maximum Work Bonus deduction is \$250.00 per fortnight which will result in up to \$125 more pension per fortnight than if there were no Work Bonus.

Centrelink will assess the rate of pension using the employment income earned in the fortnight immediately prior to payment.

Your income may include:

- deemed income from financial assets
- gross income from earnings (i.e. earnings before tax)
- net income from business, including farms
- family trust distributions or dividends from private company shares
- income attributable to the controllers of a private trust or private company
- income from rental property
- income from a life interest
- income from boarders and lodgers
- superannuation and pensions from countries other than Australia
- income from income stream products, such as annuities and allocated products.

Your rental income may be exempt if you:

- entered an aged care home, and
- pay an accommodation bond by periodic instalment, and
- rent out the home you left to enter care.

Pensions from a country outside Australia

If you have lived or worked in a country other than Australia and you are claiming or receiving Age Pension, you may also be requested to take steps to get a pension from the other country and advise Centrelink of the outcome. We can help you to claim pensions from a country outside Australia.

You need to tell us if you get income from a country other than Australia, for example a pension. We use the commercial exchange rate to work out the Australian dollar value and work out how the income affects your Age Pension.

To find out the current exchange rates call us on Freecall™ **1800 050 041**.

For information about pensions from countries other than Australia, international social security agreements and leaving Australia temporarily or permanently, call Centrelink International Services on **13 1673**, visit your local Centrelink Customer Service Centre, or go to our website at **www.centrelink.gov.au**

More details about income are in the 'Income and assets glossary' on page 21.

Deeming

Deeming is a simple set of social security rules used to assess income from financial assets. Under these rules we assume financial assets are earning a certain rate of income, regardless of the income they actually earn. The deeming rates are monitored to ensure they are appropriate and achievable from safe investments. Most financial institutions offer at call savings accounts that pay interest based on the deeming rates.

Financial assets include:

- bank, building society and credit union accounts
- term deposits and debentures
- friendly society bonds
- managed investments (e.g. property trusts)
- listed shares and securities
- shares in unlisted public companies
- gold and other bullion
- superannuation investments (such as approved deposit funds and deferred annuities) held by people over Age Pension age
- short-term asset tested income streams
- loans, including those to family trusts and companies, and
- gifts of money or other assets over the allowable amount. See 'Gifting' on page 23.

If the actual income you receive from your investment is more than the deemed income, the extra income is not counted when assessing your rate of pension.

The deemed income is added to any income you have from other sources such as employment. Your total income is then used to work out how much pension can be paid under the income test.

The assets test

Most things you own have a value and can be counted as assets. This includes assets held outside Australia. For the purpose of calculating your Age Pension, the value of your assets is what you would get for them if you sold them.

Generally, any debt owing on an asset is deducted from the value of that asset.

If you and your partner's assets are more than the assets test limits, your rate of pension will be reduced. For every \$1,000 in assets you have over the limit, your pension will be reduced by \$1.50 a fortnight or \$0.75 each for a couple.

Your assets may include:

- home contents, excluding fixtures like wall-to-wall carpet or wall heaters
- cars
- boats, trailers
- rental properties, farms, second homes, holiday houses
- market value of investments
- some income stream products
- money in bank, building society or credit union accounts, term deposits, managed investments and shares
- loans you have made to other people, family trusts and companies
- value of your business
- an interest in a private trust or private company
- antiques or other collectables
- superannuation investments (such as approved deposit funds and deferred annuities) held by people over Age Pension age.

The following assets are NOT included:

- your principal family home and any permanent fixtures such as wall-to-wall carpet and wall heaters, and either
 - Up to 2 hectares of privately used surrounding land on the same title document as the home, OR
 - all land greater than 2 hectares on the same title document as the home if you are eligible for the new rules for farmers and rural homeowners.

For more information about these rules see 'Real Estate' on page 27 of the 'Income and Assets glossary.

- some income stream products
- cemetery plots
- pre-paid funeral expenses
- certain funeral bonds
- accommodation bonds paid to an aged care home
- assets up to a certain limit held in a Special Disability Trust (SDT).

These are called exempt assets.

If you are an immediate family member of a severely disabled child/person and are currently receiving or claiming an Age Pension on or after 20 September 2006, you may be eligible to be excluded from the gifting rules if you are gifting monies (up to \$500,000) to a Special Disability Trust that complies with social security law requirements.

If you are unsure about what is counted as an asset, talk to our staff at Centrelink.

More details about assets are in the 'Income and assets glossary' on page 21.

Asset Hardship Provisions

Who is eligible?

You can get payments under the Asset Hardship Provisions if:

- your pension is assessed under the assets test, and
- you own an asset which you cannot sell or be reasonably expected to sell, and
- you cannot borrow against the asset, and
- gifting provisions do not apply or can be disregarded, and
- you are in severe financial hardship.

What you get

The amount you get paid under Asset Hardship Provisions depends on each individual case and is calculated using a special formula. Payment usually starts from the date you put in your hardship claim.

You qualify for severe financial hardship if:

- your total income (including any pensions paid under the assets test) is less than the maximum rate of pension, and
- you (and/or your partner) have less than the allowable limit(s) in Readily Available Funds (contact Centrelink or go to our website at www.centrelink.gov.au for the factsheet titled **Hardship Information (FIS013)**).

Pension Loans Scheme

Who is eligible?

You may qualify for payments under the Pension Loans Scheme if:

- you are Age Pension age or over, or the partner of someone who is (see the chart on page 5 for qualifying ages), **and**
- you and your partner are receiving or could receive some pension under the income or assets tests, **and**
- you own real estate in Australia, that can be offered as security for the loan.

Only real estate owned in Australia can be used as security for the loan. Your home, if you own it, would normally be considered adequate security for the loan.

What you get

An amount up to the maximum amount of Age Pension, including Pension Supplement and Rent Assistance each fortnight, can be paid as a Pension Loan.

You will be charged compound interest on the loan. The loan payments you receive are not taxable.

Before you claim Age Pension

Before you claim Age Pension, you should consider:

- applying for Carer Allowance — which may be paid in addition to Age Pension or any other Centrelink payment
- applying for Carer Payment instead of Age Pension, or
- registering for the Pension Bonus Scheme instead of applying for Age Pension now.

Carer Allowance/ Carer Payment

People who provide full-time care for a person who is frail aged, ill or has a disability may wish to claim Carer Allowance and/or Carer payment.

Carer Allowance is for parents or carers of children or adults who need a lot of additional care because they:

- have a disability
- have a severe medical condition, or
- are frail aged.

The payment of Carer Allowance is free of income and assets tests and is not taxable. Carer Allowance can be paid in addition to Carer Payment or any other Centrelink payment.

Carer Payment is an income support payment for carers who, because of the demands of their caring role, are unable to support themselves through full-time work. You do not need to live with the person you are caring for to be eligible, but you must be providing care in their home on a daily basis. This payment is income and assets tested, both for the carer and the person being cared for. You cannot receive Carer Payment and Age Pension at the same time.

Pension Bonus Scheme

The Pension Bonus Scheme (PBS) is a Federal Government initiative which commenced on 1 July 1998. Under the Pension Bonus Scheme, if you defer claiming the Age Pension and stay in the workforce, you may get a tax free lump sum bonus at the end of your working life.

The PBS is entirely voluntary. You can choose to participate in the PBS or claim Age Pension.

If you do not work, and your partner does, their work may still earn you a bonus.

The bonus can only be paid to people who have not received income support payments (excluding Carer Payment) since reaching Age Pension age. Income support payments include Age Pension, Disability Support Pension, Special Benefit, Austudy Payment and Veterans' Affairs service pensions. Only one bonus is ever payable.

You must register to become a member of the PBS, then pass a 'flexible work test' for at least 12 months from the date you register from. To register in the PBS you must have reached Age Pension age before 20 September 2009.

You must claim the bonus at the same time you claim Age Pension, when you eventually retire from the workforce. If you cannot get any Age Pension, you will not get a bonus.

Further advice

For further information about these options, ask at your local Centrelink Customer Service Centre, or call **13 2300**.

The Department of Veterans' Affairs has a similar Pension Bonus Scheme. For more information, call **13 3254**. For callers from regional Australia, call Freecall™ **1800 555 254**.

Someone to deal with Centrelink for you

Some Centrelink customers may have difficulty managing their Centrelink affairs, often because of a disability or illness or problems reading, writing, understanding information or handling money. If you receive a payment or service from Centrelink or the Family Assistance Office, a Person Permitted to Enquire or Nominee arrangement is available.

Person Permitted to Enquire (PPE) arrangements provide for a Centrelink customer to authorise a person or organisation to make limited **enquiries only** and confirm information held. A PPE is not a nominee arrangement. A **Nominee** arrangement authorises a person or organisation to enquire, act and make changes on your behalf and/or receive your Centrelink payment on your behalf. A form is available for customers interested in such arrangements, ***Authorising a person or organisation to enquire or act on your behalf*** form (SS313).

Privacy and your personal information

Personal information is protected by law including the *Privacy Act 1988*. The authority to collect this information is contained in the social security law.

The information that you provide on this form will be used to determine your eligibility for, and provide payments and services to you and, where relevant, third parties. This information may also be used to detect or prevent fraud and/or recover overpayments.

Centrelink may give some or all of your information to the Department of Human Services, its policy department (the Department of Families, Housing, Community Services and Indigenous Affairs) and their contracted service providers, (where that department or contracted service provider is providing payments or services to you) for the purposes of:

- determining eligibility for correct payment
- referral for appropriate assistance
- provision of services and payments
- evaluation and monitoring of services provided by Centrelink, its policy departments or contracted service providers
- recovery of overpayments.

Centrelink may disclose limited information (for example, income and assets) about you to other individuals when your circumstances affect their entitlement to payments and services.

In order to collect relevant immigration records, Centrelink will disclose information needed to identify you, and where applicable your partner and child(ren), to the Department of Immigration and Citizenship.

Limited personal information collected from you may be used to conduct customer research run by the Department of Human Services, Centrelink, its policy departments or by research organisations on their behalf. Your participation in customer research is valued, however, if you do not wish to take part please call the Customer Relations number on Freecall™ **1800 050 004** (refer to the factsheet titled *Market research and you* for more information).

Centrelink can give your information to other persons, bodies or agencies without your permission in circumstances where Commonwealth legislation requires or authorises the disclosure. For example, Centrelink usually gives some or all of your information about income and taxation matters to the Australian Taxation Office and the Child Support Agency for their use.

You can get more information from the factsheet titled *Your Right to Privacy* from your local Centrelink Customer Service Centre, you can call Centrelink on **13 2300** to request a copy or you can go to our website at **www.centrelink.gov.au**

Terms and Conditions

Information about the Electronic Message Reminders (Short Message Service (SMS) and email) and Secured Online Mail (Online Letters)

You can now receive reminders and important information from Centrelink via Short Message Services (SMS) or email.

You can view some of your Centrelink letters via an Online Letters service at www.centrelink.gov.au. In order to view Online Letters, you **must** be registered for online services with access level 3 and maintain this level of access. This service will replace delivery of some of your correspondence through the mail.

You will be asked a question in the claim form to check if you wish to subscribe to either of these services. Additionally, you can subscribe at a Centrelink Customer Service Centre over the phone or by visiting www.centrelink.gov.au

These services are voluntary and you are able to withdraw at any time.

Terms and Conditions for SMS and Email

Centrelink may send you information messages appropriate to your circumstances.

No Centrelink generated SMS or email will contain your name or contact details.

You will not be required to respond via SMS or email to any Centrelink generated message.

Messages you may receive include:

- appointment reminders the business day before your appointment
- reminders to provide up-to-date information
- reminders to provide documents
- possible future payment alerts
- notification of Online Letters.

These services are voluntary and you are able to withdraw at any time.

Centrelink will NOT include direct links to ANY website within an email from this service.

Terms and Conditions for Secured Online Mail (Online Letters)

All customer information is protected by law, such as the *Privacy Act 1988* and confidentiality provisions in social security law.

This service will replace delivery of some Centrelink letters to your mailing address.

This service will display your mail in the same format as it currently is on paper.

This means:

- your name, address and Customer Reference Number (CRN) will be displayed within the Online Letters service
- payment, income, assets and bank account details may be displayed within the Online Letters service.

This service is voluntary and you are able to withdraw at any time.

You will receive a 'welcome to the Online Letters service' letter at your postal address to confirm you have subscribed to the service.

To use this service, you will require:

- internet access
- current online services registration with Centrelink
- the ability to view Online Letters – this service will use a Portable Document Format (PDF), for example, Adobe Acrobat. These letters may be temporarily held on the hard drive of the computer.
Please be aware of this if you are using a public computer terminal. Ensure the removal of temporary internet files before logging off.

Important Note: If you change your mobile phone number, email address or postal address, you will need to tell Centrelink straight away. To report any changes, call Centrelink on **13 2300**, visit your local Centrelink Customer Service Centre, or send a letter to any Centrelink Customer Service Centre. You need to check your Online Letters service regularly for letters.

Proving your identity to Centrelink

As a Centrelink customer you are required to prove your identity when claiming a pension, benefit, allowance or service. You must establish your identity by providing original documents (not photocopies) from this approved list. Centrelink requires you to prove both your:

- Commencement of Identity (proof of your birth or arrival) in Australia, and
- use of this identity.

Note: The document you use to show your Commencement of Identity cannot also count towards the POINTS required for the payment or service claimed.

If you have any difficulty in obtaining or providing these documents, you should contact Centrelink as soon as possible.

If you have previously met the proof of identity requirements, and you are reclaiming within 52 weeks of receiving a Centrelink payment, fewer proof of identity documents may be required. If you think this applies to you, contact Centrelink as soon as possible.

Where possible, Centrelink will use the documents you provide to prove your age, residence, income and/or assets if that is relevant to the payment or service you are applying for. However, to be eligible for some payments or services, you may need to provide additional documents.

For claims of:

ABSTUDY (living allowance)	Newstart Allowance
Age Pension	Parenting Payment – <i>claimant (and partner if applicable)</i>
Austudy	Pensioner Education Supplement
Bereavement Allowance	Sickness Allowance
Carer Payment – <i>both claimant and care receiver</i>	Special Benefit
Disability Support Pension	Widow Allowance
Exceptional Circumstances Relief Payment – <i>claimant (and partner if applicable)</i>	Youth Allowance

You will need to provide:

- at least one document (listed below) to show Commencement of Identity in Australia, **AND**
- OTHER documents that add up to 100 points from the approved list (see below and overleaf).

For claims of:

Carer Allowance – *both claimant and care receiver*
Mobility Allowance

You will need to provide:

- at least one document (listed below) to show Commencement of Identity in Australia, **AND**
- OTHER documents that add up to 50 points from the approved list (see below and overleaf).

For claims of:

Low Income Health Care Card – *claimant (and partner if applicable)*
Commonwealth Seniors Health Card – *claimant (and partner if applicable)*
Health Care Card for foster children – *for the foster child*

You will need to provide:

Any documents from the approved list (see below and overleaf) that add up to 50 points. Proof of Residence may also be required. Please see your claim form for details.

Commencement of Identity in Australia

Document	Explanation/description	Points
Australian Birth Certificate	Original Australian birth certificate, extract or birth card in your name/former name.	70
Australian Passport (current)	Australian passport in your name/former name. Expired passports are not acceptable.	70
Citizenship Certificate	Australian citizenship certificate in your name/former name.	70
Australian Visa	Australian visa, current at time of entry to Australia as resident or tourist, showing your name/former name.	70
Document of Identity (DFAT)	Document of Identity issued in your name/former name by the Department of Foreign Affairs and Trade (DFAT) to Australian citizens or persons who possess the nationality of a Commonwealth country, for travel purposes.	70
Certificate of Evidence of Resident Status (DIAC)	Certificate of Evidence of Resident Status (Form 283) issued by the Department of Immigration and Citizenship (DIAC), showing your name/former name.	70
Certificate of Identity	Certificate of Identity issued by the Australian Government to refugees and non Australian citizens for entry to Australia.	70
Defence Discharge Papers	Australian Defence Force discharge papers, in your name/former name.	70

Note: If more than one of the above documents is provided, the additional documents will count as points.

Document	Explanation/description	Points
Shooter or Firearm Licence	Current shooter or firearm licence showing signature and/or photo and same name as claim. Cannot accept: minor or junior permit and/or licence.	70
Security Licence	Current security protection industry or crowd control licence, showing signature and/or photo and same name as claim.	70
Bank/Financial Institution card, statement or passbook	Current ATM or credit card showing your name and signature. Statement or passbook from current savings or cheque account showing your name and same address (if applicable) as your claim. Cannot accept: Cards issued by organisations other than banks, credit unions or building societies, ATM or internet receipts/statements or account documentation issued by banks/financial institutions outside Australia.	40
Child's Birth Certificate	Australian birth certificate for a child showing your name as parent/guardian. Cannot accept: sibling's certificate.	40
Australian Driver Licence - Motor Vehicle	Current state or territory issued driver licence, learner permit or provisional licence showing signature and/or photo and same name as claim.	40
Australian Divorce Papers	Australian divorce papers in your name/former name (e.g. Decree Nisi, Decree Absolute).	40
Educational Certificate	Up to 3 school/education qualification certificates for different years in your name/former name (school/TAFE/university/Registered Training Organisation [RTO]).	40
Australian Marriage Certificate	Marriage certificate issued by a state or territory government agency. Cannot accept: church or celebrant issued certificates.	40
Mortgage Papers	Legally drawn mortgage papers for an Australian residence in your name/former name.	40
Name Change	Legal change of name certificate or deed poll certificate.	40
Overseas Passport	Current passport issued by a country other than Australia, with valid entry stamp or visa.	40
Registration Certificate from a Professional Board	Registration certificate from a national or state or territory professional registration board (e.g. doctors, nurses, dentists, physiotherapists, accountants).	40
Trade Certificate	Current Australian trade certificate in your name/former name. Must be signed by issuer or claimant.	40
Veterans' Affairs Gold Card	Current Department of Veterans' Affairs Gold Card issued in your name.	40
Reference from Indigenous Organisation	Reference from an Aboriginal/Torres Strait Islander organisation showing referee's full details and length of time they have known you.	20
Educational Report or Reference	Up to 3 school/education reports or references, including enrolment confirmations for different years or semesters, in your name/former name (school/TAFE/university/RTO).	20
Student ID Card	Current student ID card issued in your name with signature and/or photo (school/TAFE/university/RTO).	20
PAYG Payment Summary	PAYG payment summary, less than 2 years old, with tax file number. Cannot accept: Centrelink issued payment summaries.	20
Insurance Renewal	Current insurance renewal for house, contents, vehicle, boat, crop insurance in your name and showing same address as claim.	20
Tenancy Agreement or Lease	Current formal residential tenancy agreement or lease in your name and showing same address as claim.	20
Medicare Card	A current Medicare card showing your name.	20
Motor Vehicle Registration	Current motor vehicle registration showing your name, same address as claim and proof of payment.	20
Other Overseas Documents	Up to 3 documents issued by a country other than Australia (equivalent to Australian documents listed of at least 20 points value), includes lapsed passports issued by a country other than Australia.	20
Other Licence	Up to 3 current Commonwealth, state or territory licence for coxswain, boat, aircraft etc. Must have your photo and/or signature and same address as claim (if applicable). Cannot accept: recreational fishing licences.	20
Proof of Age Card	Current proof of age or photo identity card issued by a government agency in your name with photo and/or signature.	20
Rates Notice	Paid rates notice in your name and showing same address as claim, less than 12 months old.	20
Utility Account	Up to 3 paid utility accounts (e.g. gas, water, electricity or phone) in your name and showing receipt number and same address as claim, less than 12 months old.	20
Electoral Enrolment	Proof of electoral enrolment card issued in your name and same address as claim.	10
Other Financial Documents	Up to 3 current financial documents, such as superannuation, shares, life insurance, credit card statement or managed investment documents issued in your name. Cannot accept: hire or lease agreement.	10
Health Insurance Card	Current health insurance card showing your name.	10
Motoring Association Card	Current membership card or documents issued in your name.	10
Taxation Notice of Assessment	Taxation notice of assessment in your name less than 2 years old.	10
Employment Records	Termination notice, separation certificate, report or reference from employer in your name. Cannot accept: payslips.	10

Changes you must tell Centrelink

After you claim, you must tell Centrelink **within 14 days** if any of the following happen.

If you have a **partner**, you must also tell us if any of the following happen to your partner.

To advise Centrelink of changes, call **13 2300**.

Changes to your work

You must tell Centrelink if:

- you start or restart work
 - you change jobs or become self-employed (this can be full-time, part-time or casual work)
 - your income from employment changes.
-

Changes to your personal circumstances

You must tell Centrelink if:

- you sell your home and buy another house
 - the amount of rent you pay changes
 - you start to share accommodation with another person
 - you stop sharing accommodation with another person
 - you change address
 - you move into a retirement village
 - you marry, are in or commence an opposite or same-sex registered or de facto relationship, reconcile with a former partner or start living with someone as their partner
 - you separate from your partner
 - your partner dies
 - the number of your dependants changes
 - you start to get child support/maintenance or the amount of child support/maintenance received changes
 - you enter a residential aged care home (nursing home or hostel)
 - your Australian residence status changes.
-

Leaving Australia temporarily or permanently

You must tell Centrelink if you, your partner or your children travel outside Australia temporarily (even for a holiday) or permanently before departure and on return to Australia. This is to ensure you are aware of your entitlements to payments while outside Australia and to ensure that your payments and other concessions are correct on return to Australia.

Centrelink may receive information from the Department of Immigration and Citizenship about departures from and returns to Australia.

Changes to your investments

You must tell Centrelink if:

- you sell/acquire shares or managed investment units
 - you have the dividends from your shares or funds reinvested to purchase shares or units – you must advise of the number of shares/units you receive
 - you are issued with bonus shares
 - you receive unexpected gains such as an inheritance
 - your income stream payments/investments change or you start receiving an income stream payment (e.g. annuity or superannuation pension)
 - you buy or sell an investment property or the income you receive from an investment property changes
 - you sell or buy other investments
 - you start to receive payments from a country other than Australia or your investments in or payments from another country change
 - you become involved in a business, or the nature of your involvement in a business changes
 - you become involved in, or receive a benefit from, a private trust or private company OR if the nature of your involvement in, or the benefit you derive from, a private trust or private company changes.
-

Gifts and loans

You must tell Centrelink if:

- you receive a valuable gift, or win money or other assets
 - you make any gifts to family, friends or charities, such as giving a deposit to buy a home, cash, valuable jewellery, a car or a holiday
 - you take out a loan or lend money (including to family).
-

Other changes

You must tell Centrelink if:

- you receive proceeds of an estate
- the value of your house contents and personal effects change substantially
- you sell assets for less than market value
- you claim or start to receive another Government pension or payment (including Department of Veterans' Affairs payments)
- you change or close the account into which payments are made
- you are imprisoned.

Your review and appeal rights

If you are not happy with a decision Centrelink has made about your payments, there are several steps you can take. You can also take someone with you when you talk to Centrelink.

1. You can discuss it with the person who made the original decision. You do not have to do this, but many people find it a useful step. It gives you a chance to correct misunderstandings, present new information or evidence and get an incorrect decision changed quickly.
2. If you think a decision is wrong, you have the right to ask for a review by an Authorised Review Officer (ARO). You do not have to talk to the person who made the decision before you ask for an ARO review. The ARO is an independent Centrelink officer who can take a fresh look at the facts. You should request this review within 13 weeks of the decision. This is because arrears (where payable) will usually not be paid if a review is sought after the 13 weeks expires.
3. If you do not agree with the decision of the ARO you can apply to the Social Security Appeals Tribunal (SSAT) for a review. The SSAT is an organisation not related to Centrelink. The SSAT can only look at a review after it has been reviewed by an ARO. This service is free of charge.
4. If you are unhappy with the SSAT decision you can have this decision reviewed by applying to the Administrative Appeals Tribunal (AAT). The AAT is a body that provides independent review of a wide range of administrative decisions made by the Australian Government. This service is free of charge.

For more information about your review and appeal rights, or to lodge an appeal, call Centrelink on **13 2300** or visit your local Centrelink Customer Service Centre.

Other payments, concessions and help

If you receive Age Pension, there are other payments, concessions and help you may receive.

Advance Payments

Centrelink customers can apply for an Advance Payment which is a lump sum amount paid from part of your future payment. It can help you pay larger expenses or bills which you do not have enough money for. The Advance Payment is recovered, interest free, from your payments over 13 fortnights.

The Advance Payment is limited by maximum and minimum amounts which depend on the rate of payment you receive.

The number of Advance Payments you can receive over a 12 month period will depend on the type of payment that you receive and whether you are eligible.

Centrepay

Centrepay allows Centrelink customers to have regular amounts deducted from their Centrelink payments for various purposes such as gas, rent, water, rates and electricity. Participation in the scheme is entirely voluntary and customers may withdraw from the scheme at any time. This service is provided free of charge.

Community Officers

Community Officers may be able to visit you if you are homeless, living in a hostel or refuge, suffering from a mental illness, or fleeing from domestic violence. Community Officers can tell you about Centrelink payments and services and help you access these services. They provide Centrelink services in locations like rehabilitation centres, psychiatric hospitals, prisons, hostels and drop-in centres.

Employment Services for Age Pensioners

Employment assistance with Job Services Australia involves obtaining vacancies from employers and filling these vacancies with job seekers who have contacted them in search of work. Job Services Australia Providers do this by matching job seeker's skills and abilities to employer requirements.

Age Pensioners who choose to look for work can access employment assistance from Job Services Australia. However, it is not mandatory for Age Pensioners to look for work.

Financial Information Service Officers

Financial Information Service (FIS) Officers can give you free, independent information. This will help you understand investments and how they work, and help you make better financial decisions.

Indigenous Services Staff

Indigenous Services Staff are located in most Centrelink Customer Service Centres. Some Centrelink Customer Service Centres also have interpreters who speak Aboriginal or Torres Strait Islander languages and teams who visit and help remote communities.

Multicultural Services

Customers can speak to Centrelink in languages other than English by calling **13 1202**. Interpreters and translation of documents for Centrelink business, can be arranged free of charge. Information in languages other than English can also be found on the website at **www.centrelink.gov.au**

Paying tax

There are some payments that are taxable and have to be added to other income you get during the financial year. This could mean you have to pay tax.

If you ask us to, we can deduct tax from your payment, if it is taxable. For more information, speak to a qualified accountant or call the Australian Taxation Office.

Pension Supplement

The Pension Supplement helps you to meet the costs of your daily household and living expenses. It is automatically paid each fortnight with your regular pension.

You have the option to receive part of the Pension Supplement on a quarterly basis. This component/part is known as the minimum Pension Supplement amount. You may find this option useful for budgeting purposes.

If you choose this option, the amount of Pension Supplement paid with your payment each fortnight will be reduced. The minimum Pension Supplement amount accrues daily during the quarter and is paid as soon as possible after 20 March, 20 June, 20 September and 20 December with your fortnightly pension payment.

If you wish to receive the minimum Pension Supplement amount on a quarterly basis, this can be requested through your claim for Age Pension.

The option to receive the minimum Pension Supplement as a fortnightly payment or quarterly payment can be changed at any time.

Pensioner Concession Card

If you receive Age Pension, you will automatically receive a Pensioner Concession Card (PCC). This is not to be confused with a State Seniors Card.

You will be able to receive a number of Commonwealth concessions (such as medicines, hearing services and free eyesight test). You may also receive a number of state or territory concessions (this will depend on the state or territory, but may include reductions in utility bills, reductions on public transport fares, free ambulance services etc).

Remote Area Allowance

Remote Area Allowance is an additional assistance for Centrelink customers in remote areas. It recognises that many customers who do not pay tax, or very little tax, do not get the full benefit of tax zone rebates. Remote Area Allowance makes a contribution towards some of the costs associated with living in particularly remote areas.

Rent Assistance

Rent Assistance is an additional payment for Centrelink customers who rent their accommodation in the private rental market. This includes paying private rent, board, lodging for accommodation in a house, flat or unit, one or more rooms in a house, boarding house, hostel or private hotel. It also includes a caravan or mobile home where you pay ground rent or site fees, and a boat where you pay mooring fees.

Rent Deduction Scheme

The Rent Deduction Scheme allows Centrelink customers in public housing to have their housing payments (such as rent, loan repayments and arrears) deducted from their Centrelink payments and sent directly to the Housing Authority in their state.

Social Workers

Centrelink has professional social workers in its Customer Service Centres and Call Centres throughout Australia. Social workers can offer you personal counselling and support in difficult times, such as domestic and family violence, severe financial hardship, homelessness, loss and bereavement. They can refer you to other services and programs like housing, health, emergency relief, legal and/or counselling services and support groups.

This glossary describes the various types of income and assets and tells you how they are treated under the income and the assets tests.

The types of income and assets are listed in the order of the relevant questions in the *Income and assets* form.

For information on 'Deeming', see page 7.

Bank accounts

The money you and your partner have in bank, building society and credit union accounts is assessed as an asset. Bank accounts are financial assets and income is assessed using the deeming rules, regardless of the interest they actually earn.

Bonds and debentures

The money you and your partner have invested in bonds, debentures, notes and bank bills and the balance of any loans given by you is assessed as an asset. Bonds, debentures, notes and bank bills and loans are financial assets and income is assessed using the deeming rules, regardless of the interest they actually earn.

Business

If you are carrying on a trade, occupation or profession as an on-going concern, then you are operating a business. This includes farming.

Business includes:

- sole-traders
- partnerships
- subcontractors.

Generally, for sole traders and partnerships, Centrelink uses the business entity accounting convention. Assets and investments not considered to be related to the principal function of the business are removed and assessed separately.

Assessable income in regard to a business is based upon information contained in the profit/loss statement.

The assessable asset value of a business is primarily based upon information contained in the balance sheet and depreciation schedule.

Business profit for accounting purposes, taxation purposes and social security purposes are not the same thing. Accounting profit is calculated in accordance with various accounting standards, i.e. guidelines followed by the accounting profession. However, profit for taxation and social security purposes is calculated in accordance with various legislative provisions.

As a general rule, the business deductions allowed by the Tax Office are also allowed for social security purposes. However, some expenses claimed as a deduction and certain special concessions allowed by the Tax Office are not deductible for Social Security income test purposes.

The primary source of verification should be the latest available Income Tax Return and associated financial statements.

Compensation

Compensation can affect the payments Centrelink makes to a person (and the person's partner). If you receive or are pursuing a compensation payment, either in regular payments or a lump sum, it may affect the amount of Age Pension you are paid.

Compensation includes any payment made, wholly or partly, in respect of lost earnings or lost capacity to earn, as a result of:

- work related injury or illness (for example, workers' compensation payments), or
- injury received in a motor vehicle accident, or
- injury received as a result of the negligence or fault of another person.

A person or their partner may be required to claim compensation if Centrelink considers he or she could be entitled to compensation payments.

Regular or periodic compensation, for instance, workers' compensation, usually reduces the compensation recipient's payments from Centrelink on a dollar for dollar basis. For example, if a single person gets \$100 a week in compensation payments, the Centrelink payment would be reduced by \$100 a week.

The direct deduction rule will only be applied to the compensation recipient. After the compensation recipient's rate of social security payment is reduced to nil, any balance will be assessed as ordinary income for their partner.

If a person has to wait for compensation payments to start, and gets payments from Centrelink in the meantime, some or all of these payments will have to be repaid from the payment of arrears of periodic compensation payments.

If a person gets a lump sum compensation payment which contains an amount for economic loss, Centrelink will work out a period (called a 'preclusion period'), during which a person cannot get payments from Centrelink. The preclusion period can be in the past, in which case all payments from Centrelink received during the period must be repaid, or in the future, in which case no payments can be made until the period is over, or both.

The partner is not precluded and may be able to be paid social security payments, if they apply and qualify for a payment.

Before agreeing to a settlement or spending a lump sum compensation payment, it is very important to find out the effect the lump sum may have on your payment from Centrelink.

Conventional life insurance policies

A conventional life insurance policy is an asset if you:

- own the policy, or
- are the policy holder, and/or
- have access to the value of the policy.

The surrender value of the policy is assessed as an asset during the term of the policy.

Bonuses on conventional life insurance policies are not assessed as ongoing income during the term of the policy. However, if bonuses are cashed in during the term of the policy, they are assessed as income for 12 months.

On maturity, the difference between the maturity value, and the sum of the purchase price and premiums paid by the investor, is assessed as income for 12 months from the date the policy expires.

Note: Insurance bonds are assessed as managed investments.

Employment

If you (and/or your partner) are still working, it may affect the amount of pension you (and/or your partner) receive. Centrelink assesses the gross (before tax) income and the deductions you receive from your employer.

Gifting

Gifting is a term used when you or your partner:

- give away assets, including transferring assets for less than market value, **and**
- do not receive adequate consideration for the gift or transfer in the form of money, goods or services.

Centrelink also uses the term 'deprived asset' for a gift.

You or your partner can give away money or other assets to any value you choose at any time, but the rate of income support payment you receive may be affected if you gift assets worth more than the allowable gifting amount or 'free area'.

The Gifting rules are:

- there is an allowable gifting amount or 'free area' for a single person or a couple of \$10,000 in a single financial year, **and**
- there is an allowable gifting amount or 'free area' for a single person or a couple of \$30,000 over a 5 year rolling period. (The rolling 5 year period is the current financial year plus the previous 4 financial years.)

Any asset or amount that you gift over and above either the \$10,000 in a single year free area or the \$30,000 5 year free area is treated as a gift or deprived asset for 5 years from the date of disposal.

Gifts are:

- Included in your assets until the fifth anniversary of the date of the gift, and
- Deemed to earn income in the same way as financial assets.

Any amounts you disposed of or gifted in the 5 years immediately before you were granted a payment can also be considered.

Gifting includes:

- money or any asset you have transferred to members of the family or other relatives
- gifts to other people or charities
- gifts to private trusts or companies where you or your partner are not the controller of the trust or company
- assets sold for less than their market value
- relinquishing control of a private trust or company. If you do this you will be considered to have gifted all the assets held by the trust or company
- transferring your shares in a private company or units in a fixed trust and you do not receive full market value for them.

Gifting does not include you selling or reducing your assets to meet normal expenses, for example, to buy consumer goods like a fridge or washing machine, for home maintenance/improvements, or to pay for holidays. Nor does it include payments for services received (e.g. lawn mowing).

Household contents

Centrelink assesses your household contents as an asset. We do not want the replacement or insured value. We require the market value — that is, what you would get if you sold them.

Household items include items such as:

- furniture
- electrical appliances
- curtains
- antiques or works of art
- personal effects including jewellery for personal use and hobby collections (stamps, coins etc).

Income from boarders and lodgers (other than immediate family)

The type of income you receive from board and lodging will determine how much Centrelink will assess in calculating the amount we will take into account:

Lodging (accommodation only)	70% treated as income
Bed and breakfast (accommodation and breakfast)	50% treated as income
Board (accommodation and meals in addition to breakfast)	20% treated as income

Any income received from boarders and lodgers is added to any deemed income, or income from other sources. Your total income is then used to work out how much pension, benefit or allowance can be paid.

Income from countries other than Australia

For social security purposes all income from a country other than Australia or from a specific source in another country is treated as income whether the payments are made from a country other than Australia, or through an Australian agent. This may be in the form of investments, pensions, superannuation or real estate.

Income from a country other than Australia means the gross current rate of income in the currency of the country of origin. No deductions are allowed for any bank charges, health insurance payments, tax paid at source, exchange rate variations, etc.

Pensions (including war and war widows pensions) paid by countries other than Australia are generally treated as income with the exception of some restitution payments which are exempt income. In certain circumstances, pensions paid by agreement countries are deducted dollar for dollar from the Australian pension, instead of being treated as income.

Most customers who have income and assets outside Australia have the Australian dollar amount revalued automatically each month using up-to-date exchange rates. The actual effect on each customer's pension depends on their total income and assets and the application of the relevant income or assets test.

Income streams

The term 'income stream' is used by Centrelink to describe a regular stream of payments of the following types:

- Superannuation Pensions
- Defined Benefit Pensions
- Immediate Annuities
- Allocated Annuities
- Allocated Pensions
- Market-Linked Pension/Annuity.

Income streams may be purchased using savings or lump sum superannuation entitlements.

If you or your partner are receiving payments from an income stream, the value of the income stream may be either asset-tested, asset-test exempt or partially asset-test exempt. This will depend on the characteristics of the income stream. The assessment of income will generally be the gross annual payments from the income stream less a deduction representing return of capital, however some short term income streams are subject to deeming.

Income streams that are paid from Self Managed Superannuation Funds or Small APRA Funds (also known as DIYs) may be subject to other requirements.

For further details on the assessment of income streams, please speak to your local Centrelink Customer Service Centre or call **13 2300**.

Lump sum payments

Certain amounts of lump sums payments (non-remunerative and remunerative) are taken to be maintained as income for 12 months from the date they are entitled to be received. A small number of lump sums are treated differently – these are: When you receive a lump sum from compensation; exempt lump sums like superannuation and lottery wins (not winnings paid on a periodical basis).

If you receive a lump sum payment, you should check with Centrelink to see if it will affect your payment.

Managed investments

The value of managed investments you and your partner own is assessed as an asset. Managed investments include unit and account based trusts, listed trusts, master trusts, insurance and friendly society bonds. The asset value is the value of the managed investment. For unit based investments, the value is ascertained by multiplying the number of units you or your partner own by the current unit price. For account based investments, the value is the current account balance.

All customers who own market linked managed investments will have their pension reviewed automatically each March and September, using the most up to date information Centrelink has. However, if you buy, sell or otherwise acquire units you will need to advise Centrelink as this may change the total value of the managed investments we hold on your record.

Managed investments are financial assets, and income is assessed using the deeming rules.

The distributions received from the managed investments are not treated as income when Centrelink calculates your payment and therefore you and/or your partner are not required to advise of any distributions received.

Money on loan

If you (and/or your partner) have lent money, Centrelink maintain the balance of the loan as an asset. Money on loan is a financial asset and income is assessed using the deeming rules, regardless of the interest it actually earns.

Other government payments

Some payments from other government departments may preclude you from receiving Age Pension – for example, Service Pension paid by the Department of Veterans' Affairs.

Other payments may affect the amount of pension you receive. The actual income you receive will be added to your income from other sources to establish the total income, which is then used to work out how much you can be paid.

Other payments

If you have other income, discuss this with a Centrelink Customer Service Officer, who will explain how we assess the specific type of income you receive.

Private company

A private company is a company which meets at least 2 of the following three criteria in relation to the last financial year:

- consolidated gross operating revenue for the financial year of the company and its subsidiaries is less than \$10 million
- consolidated gross assets at the end of the financial year of the company and its subsidiaries is less than \$5 million
- the company and its subsidiaries have fewer than 50 employees at the end of the financial year

OR it is one which came into existence since the end of the last financial year.

A person is involved in a private company if they or their partner:

- are a shareholder, director or other office holder of the company
- are owed money by the company
- have provided, for less than market value, property or services to the company
- are able to benefit from the company
- can expect the director of a company to act in accordance with their wishes, or
- can expect the governing director or major shareholder to act in accordance with their wishes.

The assets and income of a private company may be attributed to a person based on a number of tests. If a person is attributed with the assets and income of the company, those assets and income will be assessed as if they were the person's personal assets and income.

Private trust

Private trusts include family trusts, non-complying Self Managed Superannuation Funds and non-complying Small APRA Funds, testamentary trusts and those fixed trusts with fewer than 50 members, and trusts outside Australia.

They do **not** include fixed trusts with more than 50 members, complying Self Managed Superannuation Funds or any public trusts, such as unlisted property trusts or equity trusts.

A person is involved in a private trust if they or their partner:

- are the appointor, guardian or principal of the trust
- are a trustee
- are a shareholder or director of the trustee company
- are a beneficiary or included among the categories of beneficiaries
- are a unit holder
- are owed money by the trust
- have provided, for less than market value, property or services to the trust
- are able to benefit from the trust, or
- can expect the trustee or appointor of a trust to act in accordance with their wishes.

The assets and income of private trusts may be attributed to a person based on a number of tests. If a person is attributed with the assets and income of the trust, those assets and income will be assessed as if they were the person's personal assets and income.

Real estate

Real estate property in Australia or outside Australia owned by you (and/or your partner) is an asset. It does not include your home, unless it is used for commercial (business) purposes.

It does not include the land on which your home stands, unless your home is on a property that is more than 2 hectares in area, or it is made up of more than one land title, or it is used for commercial (business) purposes.

From 1 January 2007, if your home and adjacent land is on a single title block, larger than 2 hectares, the whole property may be exempt from the assets test. To be eligible:

- you must be of Age Pension age, qualify and be payable for Age Pension or a Carer Payment; or qualify and be payable for a Service Pension from Department of Veterans' Affairs.
- you must have a long term (20 year) continuous attachment to the land and the principal home, and you must be making effective use of productive land to generate an income, given your capacity to do so.

You do not need to have the property professionally valued. We may have the Australian Valuation Office do this at no cost to you. If you disagree with a valuation, you can have the decision reviewed.

The value of the real estate is reduced by the amount of any outstanding charge or encumbrance (loan) over the asset.

If the property is rented, you may also need to show your (and/or your partner's) income tax returns or provide details of your income and expenditure relating to the property.

Self Managed Superannuation Fund/ Small APRA Fund

These are also often referred to as 'Do it yourself' (DIY) funds. A Self Managed Superannuation Fund (SMSF) or Small APRA Fund (SAF) is a superannuation fund you have set up for yourself for the benefit of you or your family.

Shares

The value of shares in public companies you and your partner own is assessed as an asset. The value of the shares is ascertained by multiplying the number of shares you and your partner own by the current share price.

All customers who own shares that are listed on the Australian Stock Exchange will have their pension reviewed automatically each March and September, using the most up to date information on share prices Centrelink has. If you acquire additional shares, or dispose of shares, you will need to advise Centrelink as this may change the total value of shares we hold on your record.

Shares are financial assets, and income is assessed using the deeming rules.

The dividends received from the shares are not treated as income when Centrelink calculates your payment and therefore you and/or your partner are not required to advise of any dividends you receive.

Superannuation investments

The value of investments in superannuation funds (such as deferred annuities and approved deposit funds) held by people of Age Pension age are assessed as financial assets under the income test.

Superannuation investments do not include those superannuation investments that provide income payments such as superannuation pensions and allocated pensions.

Vehicles

Motor vehicles, boats, caravans and trailers are assessed as an asset by Centrelink. When determining the asset value, it is based on the current market value (not the insured or replacement value). If you (and/or your partner) have an outstanding loan or debt against the vehicle, this can reduce the amount Centrelink maintains as an asset.

When your home could be assessed as an asset

If you or your partner vacate your principal home, the assessment will vary depending on the reason for vacation of the home and whether you owned the home or not.

If you or your partner sell your principal home, any portion of the proceeds likely to be used to purchase a new home is disregarded for assets test purposes for up to 12 months after the sale. Although these proceeds are exempt for assets test purposes, income is deemed on any amounts invested in financial investments. If you or your partner use part of the proceeds of the sale to purchase a block of land to build a new home, this land is also exempt under the assets test for up to 12 months.

If you or your partner leave your principal home due to illness and have to enter a care situation, your home may be exempt from the assets test. If your partner continues to live in the house, the house is exempt while they remain there.

If you do not have a partner who continues to live in the principal home, and you leave the home to enter a care situation, the home is exempt from the assets test for 2 years from the date you enter care. Once the 2 year period is up, you will be assessed as a non-homeowner and the house will be counted as an asset.

Your principal home can be exempt from the assets test when:

- the resident is liable to pay an accommodation charge, or
- an Accommodation Bond by periodic instalments, and
- rental income is received from the principal home.

In addition, the rental income received is exempt under the income test.