

This chapter covers the payments and services for people who are retired or planning retirement that Centrelink delivers on behalf of the Departments of Families, Community Services and Indigenous Affairs; and Health and Ageing.

## Payments and assistance

- Age Pension
- Wife Pension
- Advance Payments
- Utilities Allowance
- Commonwealth Seniors Health Card
- Seniors Concession Allowance
- Pension Loans Scheme
- Pension Bonus Scheme
- income assessment for residential aged care fees
- assets assessments for entry to residential aged care
- grandparents and carers who raise and care for children.

## Age Pension

### Purpose

Age Pension is a safety net for older people who are not able to fully provide for themselves in retirement. It is paid so people who have reached age pension age have adequate income.

### Age pension age

#### *For men*

To qualify for Age Pension a man must be aged 65 or over.

#### *For women*

Women qualify for Age Pension at different ages. From 1 July 1995, the minimum age for women to receive Age Pension began to increase. By 2014, the minimum qualifying age for women will be 65 years, making it the same for everyone. Until then, the qualifying age for women depends on their date of birth.

The table below shows when women qualify.

Date of birth	Qualification age
1 January 1940 to 30 June 1941	62 years
1 July 1941 to 31 December 1942	62½ years
1 January 1943 to 30 June 1944	63 years
1 July 1944 to 31 December 1945	63½ years
1 January 1946 to 30 June 1947	64 years
1 July 1947 to 31 December 1948	64½ years
1 January 1949 and later	65 years

More information on the qualifying age for women is contained in the booklet *About to retire or in retirement*. Copies are available by calling Centrelink on **13 2300**, or visiting the Centrelink website at [www.centrelink.gov.au](http://www.centrelink.gov.au) and looking under “Publications”.

### Residence requirements

The person claiming Age Pension must be:

- an Australian resident (that is, must be living in Australia) and be one of the following:
  - an Australian citizen, or
  - the holder of a permanent visa, or
  - a protected special category visa holder (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 104 weeks immediately before that date, or was assessed as “protected” before 26 February 2004), and
- present in Australia when claiming.

There are exceptions to this when the person is:

- in an International Social Security Agreement country (see Chapter 17) when the claim is lodged and is either a resident of Australia or a resident of an agreement country, or
- transferring from a different payment type and does not need to lodge a claim (for example, a person receiving a Disability Support Pension does not need to lodge a claim when they reach age pension age).

Generally a person qualifies if they have always lived in Australia, or if they are or were a refugee. A person who has lived in a country or countries other than Australia can also qualify if they:

- have lived in Australia as an Australian resident for 10 years without a break, or
- have lived in Australia as an Australian resident for at least five years continuously and have, in total, lived in Australia, on and off, for more than 10 years, or
- have a qualifying residence exemption, or
- are a woman who was widowed in Australia, and both she and her partner were Australian residents at the time, and she has lived in Australia for two years immediately before the claim, or
- were getting Widow B Pension, Widow Allowance, Partner Allowance or Mature Age Allowance immediately before reaching age pension age.

A person who has lived outside Australia and who does not meet any of the above criteria may qualify for Age Pension under an International Social Security Agreement with another country. International Social Security Agreements with some countries may affect the rate of payment.

For more information about International Social Security Agreements with other countries, see Chapter 17.

## Income and assets

Age Pension is a taxable payment and is subject to income and assets tests. If a customer receiving Age Pension is permanently blind, they are not subject to income and assets tests for the basic pension. Customers paid Age Pension under the rules for people who are permanently blind and their partners will need to disclose their income and assets if their partner wishes to claim an income tested payment in their own right (for example, Carer Payment) or if they wish to claim Rent Assistance.

For more information about income and assets tests, see Chapter 15.

## Payment information

Pension payments are made in arrears. The pension payment a person receives will relate to their circumstances on each day in their 14 day entitlement period. Payment will be calculated on a daily basis throughout the entitlement period and paid fortnightly into a bank, building society or credit union account. Generally pensioners may choose which payday best suits their circumstances.

A person receiving Age Pension will generally qualify for a Pensioner Concession Card (if they are in and residing in Australia). They may also be entitled to a range of supplementary payments (for example, Rent Assistance, Telephone Allowance, Pharmaceutical Allowance, Utilities Allowance and Remote Area Allowance).

People of age pension age who do not get a pension may qualify for a Commonwealth Seniors Health Card.

For more information about supplementary payments and concession cards and other services that complement retirement payments, see Chapter 13.

## Payment outside Australia

In most cases, Age Pension may be paid outside Australia indefinitely, although the rate of payment may vary if the recipient is still outside Australia 26 weeks after departure. Age pensioners must contact Centrelink if they decide to travel outside Australia—even for a short period—or their payments may stop.

For more information about payment outside Australia, see Chapter 17.

## Pension entitlement from other countries

Pensioners and their partners who have lived or worked outside Australia and who are claiming an Australian Age Pension are required to take reasonable action to claim a pension from the other country.

For more information about International Social Security Agreements, see Chapter 17.

## Compensation

Payment of Age Pension may be affected if a person receives Workers' Compensation or third party damages.

For more information about compensation, see Chapter 16.

## Department of Veterans' Affairs

Veterans receiving a disability pension from the Department of Veterans' Affairs (DVA) and their partners may also choose to have their Age or Wife Pensions paid by DVA.

Age Pension cannot be paid if a person is on an income support payment with DVA such as Service Pension and War Widows or Widows Pensions.

## How to claim

Claims for Age Pension can be lodged up to 13 weeks before qualifying for this payment.

For more information about how to claim, see Chapter 14.

## Wife Pension

### Purpose

To ensure an adequate level of income for the female partner of an age or disability support pensioner who is not getting any other payment in her own right.

## Qualifications

Wife Pension is gradually being phased out. There have been no new grants of Wife Pension since 1 July 1995. However, women receiving Wife Pension before that date can continue to get this payment provided they meet the qualification provisions and their partner is getting Disability Support Pension or Age Pension.

## Income and assets

Wife Pension is paid subject to income and assets tests. Working Credit is available to those people who are under age pension age to encourage them to take up paid work.

For more information about Working Credit, see Chapter 2.

## Payment outside Australia

Wife Pension is generally paid outside Australia for 13 weeks only, although in some circumstances it may be paid indefinitely. Wife pensioners thinking about travelling outside Australia must contact Centrelink before they leave or their payments may be stopped.

For more information about payment outside Australia, see Chapter 17.

## Compensation

Payment of Wife Pension may be affected if a person receives Workers' Compensation or third party damages.

For more information about compensation, see Chapter 16.

## Advance Payments

Age and wife pensioners may be eligible for an Advance Payment. This is recovered from the next 13 fortnightly payments. An Advance Payment can be paid only once in any 12 month period. It can be paid in two separate instalments. To apply for an Advance Payment call **13 2850** or visit a Centrelink Customer Service Centre.

## Utilities Allowance

### Purpose

To assist in meeting the cost of regular bills such as gas, electricity and water.

### Qualifications

A person must:

- be of age pension age receiving Austudy, Age Pension, Disability Support Pension, Carer Payment, or Parenting Payment, or
- be receiving Mature Age Allowance, Widow Allowance or Partner Allowance.

## Payment information

Eligibility for Utilities Allowance is automatically assessed. Utilities Allowance is made with regular Centrelink payments, after 20 March and 20 September each year.

Utilities Allowance is a non-taxable payment. The rate of Utilities Allowance is adjusted in line with the Consumer Price Index twice a year. This payment is not subject to income or assets tests.

Utilities Allowance may be payable to qualified customers for up to 13 weeks of temporary absence outside Australia.

## Commonwealth Seniors Health Card

The Commonwealth Seniors Health Card (CSHC) is available to self-funded retirees. To qualify a person must:

- meet the residence requirements and be in Australia to retain the card
- not be receiving an income support payment from Centrelink or the Department of Veterans' Affairs
- be of age pension age
- meet an annual adjusted taxable income test. There is no assets test.

The CSHC is reissued automatically each year in August, subject to continued qualification. Customers are required to notify Centrelink of any change in their circumstances that may affect their eligibility for this card, including leaving Australia temporarily or permanently.

For more information about concession cards, see Chapter 13.

## Seniors Concession Allowance

Holders of a Commonwealth Seniors Health Card (CSHC) are entitled to the Seniors Concession Allowance (SCA). The SCA is paid to help with household costs and in recognition that most states and territories do not provide a full range of concessions to these customers.

Dependants of CSHC holders are not eligible for concessions through the CSHC card. If a person has dependants and their income is below the limit, they may be entitled to a Low Income Health Care Card. The Low Income Health Care Card offers the same pharmaceutical concessions as the CSHC and also covers dependants. Other concessions may also be available from other providers that may not be available with the CSHC. If a person meets the eligibility criteria, they may qualify for both concession cards.

For a person caring for a child who is not their own (for example, a grandchild), see the "Assistance for foster children" section under "Health Care Card" in Chapter 13.

## Pension Loans Scheme

This scheme is available to customers of age pension age who are ineligible for a pension because of their income or assets (but not both) and those who can only get a reduced rate of pension. The scheme allows customers to access capital tied up in their real estate assets.

The other basic qualifications are:

- the customer or their partner must be of age pension age
- the customer must be getting or qualify for Age Pension, Disability Support Pension, Carer Payment, Widow B Pension, Bereavement Allowance or Rehabilitation Allowance
- the customer or their partner must own real estate in Australia of sufficient value to secure the Pension Loans Scheme debt.

Loan amounts are paid fortnightly.

Centrelink's free Financial Information Service can provide information about using money to the best advantage and how the pension income and assets tests work. For more information, see Chapter 13 or call **13 2300**.

## Pension Bonus Scheme

The Pension Bonus Scheme provides a tax free lump sum to people who defer claiming Age Pension and continue in paid work. The size of the lump sum depends on the length of the deferral period and the rate of pension payable to the person when it is eventually claimed.

For a bonus to be payable, people have to register as members of the scheme. Members must meet the work test of 960 hours for a minimum of 12 months from the registration date. Members who have a reduction in their work hours or take leave should call a Centrelink Financial Information Service officer immediately on **13 2300**.

To register as early as possible, people should apply for membership within 13 weeks of meeting the age requirements for Age Pension. If a person does not work, but his or her partner does, the partner's work may earn a bonus for the non-working partner who must also register as a member of the scheme.

Members must claim both the bonus and Age Pension together when they finally retire. A bonus cannot be paid to anyone who has already received Age Pension or another payment (except Carer Payment) since reaching age pension age. Members' eligibility to receive a bonus may be affected by gifting assets before and after reaching age pension age.

More information about the scheme can be found in the brochure Pension Bonus Scheme, call **13 2300**, or visit [www.centrelink.gov.au](http://www.centrelink.gov.au)

## Income assessment for residential aged care fees

Aged care residents may be asked to pay an income tested daily fee based on their income and the level of care needed. This fee, which is in addition to the basic daily care fee, helps cover living expenses such as meals, laundry, heating/cooling and nursing or personal care. The resident pays the fee directly to their care service provider.

Generally only part-pensioners and non-pensioners may be asked to pay this additional income tested fee. However, non-income tested customers, such as age pensioners who are permanently blind, may also need to pay an income tested daily fee. Even if people entering care are not receiving a pension, their income is generally assessed for fee purposes using the same rules as for pensions. Centrelink assesses residents' income on behalf of the Department of Health and Ageing for both pensioners and non-pensioners. The Department of Veterans' Affairs assesses the income of people receiving a Service Pension or Income Support Supplement.

Aged care fees may be affected by any money or assets gifted within the last five years.

From 1 July 2005, lump sum accommodation bonds are exempt from the income support assets test.

There is special treatment for residents who are paying either an accommodation charge or an accommodation bond by periodic instalments to their care service provider and renting out their former home at the same time. For residents paying an accommodation charge or paying an accommodation bond by periodic instalments and renting out their former home:

- rental income from the former home is exempt in full for the pension income test and for aged care fees
- the value of the home is exempt from the pension assets test.

Many pensioners will continue to receive the same amount of pension when they enter an aged care home. However, in most cases Rent Assistance will not be paid. Customers who are a member of a couple may receive a higher rate of pension under a special provision, called "separated due to ill health", if either one or both partners enter residential aged care.

More information about income assessments is available by calling Centrelink on **Freecall™ 1800 227 475**, or visiting a Centrelink Customer Service Centre. More information about residential aged care fees is available by calling the Department of Health and Ageing on **Freecall™ 1800 500 853**.

A person's financial decisions, for instance, how they pay an accommodation bond or charge, can have different effects on pensions, aged care fees and tax. Centrelink's free

Financial Information Service can provide information about using money to the best advantage and how the pension income and assets tests work.

For more information about the Financial Information Service, see Chapter 13.

## Assets assessments for entry to residential aged care

On 1 July 2005, Centrelink and the Department of Veterans' Affairs (DVA) started undertaking assets assessments for new residents and people intending to enter aged care homes.

An assets assessment helps intending aged care residents work out the amount they may be asked to pay towards their accommodation costs for permanent residential aged care and determines whether a person is eligible for government assistance with their residential aged care accommodation costs.

Under these arrangements people will be better placed to make decisions about their financial situation before their entry to care.

To assist pensioners and veterans, Centrelink and DVA may use information they already have from assessing assets for income support payments.

People intending to enter care can apply for an assets assessment if they have been assessed by an Aged Care Assessment Team (ACAT), and have been approved to receive residential aged care. The Request for an Assets Assessment form will be provided by the ACAT at the time of the assessment. Forms can also be obtained by calling the Department of Health and Ageing on **Freecall™1800 500 853**. Current residents do not need to apply for an assets assessment unless they intend to move to another aged care service.

It is not compulsory to have an assets assessment. However an assets assessment is necessary for a decision to be made on whether or not a person is eligible for government assistance with their residential aged care accommodation costs. The assets assessment will also assist the intending resident to negotiate an appropriate accommodation bond amount or accommodation charge amount to be paid to the aged care provider. Centrelink or DVA will provide the intending resident with a letter containing information about the value of their assets for aged care purposes. The letter also includes general information about aged care. More information about assets assessments is available by calling Centrelink on **Freecall™1800 227 475**. Department of Veterans' Affairs pensioners can call DVA on **1300 550 452** or **13 3254**.

## Grandparents and carers who raise and care for children

Grandparents and other carers with responsibility for children may be entitled to family assistance payments and services including Family Tax Benefit and Child Care Benefit. Depending on individual circumstances some grandparent carers may also be entitled to other Centrelink payments. Grandparents and other carers with responsibility for children may also be entitled to a foster child Health Care Card for the children.

For more information about family assistance payments, see Chapter 3.

## Services

- Financial Information Service
- social work services.

## Financial Information Service

Centrelink's Financial Information Service (FIS) is an education and information service available to everyone in the community. The Financial Information Service helps people to make informed decisions about investment and financial issues for their current and future financial needs. The Financial Information Service is independent, free and confidential and provides services through seminars, and by phone and appointment.

For more information about the Financial Information Service, see Chapter 13.

## Social work services

Centrelink Social Workers provide professional assessment, counselling and referral to community support services for customers who may be facing difficult personal and family situations.

For more information about social work services, see Chapter 13.

## How to find out more

### Internet

Visit the Centrelink website at [www.centrelink.gov.au](http://www.centrelink.gov.au)

### Phone

<b>13 2300</b>	Retirement Services—Age Pension, Pensioner Concession Cards, Commonwealth Seniors Health Card, Retirement Assistance for Farmers Scheme, Widow B Pension, Wife Pension and Financial Information Service.
<b>13 1202</b>	For information or help in languages other than English.
<b>Freecall™ 1800 810 586</b>	A TTY phone is required to use this service. It is for people who are deaf or have a hearing or speech impairment. Customers can also call the National Relay Service <b>on 13 3677</b> (using a TTY phone or computer) and ask the operator to call a local “13” or “1800” number.

A full list of Centrelink phone numbers is on the back cover of this book. See Appendix 1 for Centrelink phone numbers and Customer Service Centre addresses listed by state/territory.

**Important:** 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.

### Publications

As well as this book, there are some other specific retirement publications and information kits available from Centrelink. Some of these are:

<b>About to retire or in retirement?</b>	A guide to options and services.
<b>News for Seniors</b>	A quarterly magazine distributed to people getting an Age Pension, a Veterans’ Affairs Service Pension, or a Commonwealth Seniors Health Card; members of the Pension Bonus Scheme; seniors; and retirees. It keeps readers informed about issues of interest and changes that may affect retirees.
<b>Australian Pension News</b>	A magazine distributed twice a year to people getting an Australian pension who live outside Australia. It keeps readers informed about issues of interest and changes that may affect pension recipients living outside Australia.
<b>Australian Government Directory of Services for Older People</b>	The directory covers programmes and services administered by the Australian Government, including information on finding and keeping work, health issues, home and residential care, legal rights, financial advice and programmes for people with special needs.
<b>Home and Residence Choices for Older People</b>	A practical guide to the different care and accommodation choices available.
<b>Investing Money—Your Choices</b>	An introductory guide to the basics of investing and investment products.
<b>Moving House—Your Choices</b>	A practical guide for people buying, selling or moving house.
<b>Securing Your Future</b>	Information about Centrelink’s Financial Information Service.
<b>Are you needing help after someone has died?</b>	A guide to help people cope with and prepare for bereavement.

<b>How Centrelink Social Workers Can Help You</b>	Information about who can use Social Worker Services and how Social Workers can help.
<b>Pension Bonus Scheme</b>	Information on the Pension Bonus Scheme including the Pension Bonus Scheme Work Record—a useful record-keeping system for Pension Bonus Scheme participants.
<b>A Guide to Centrelink Concession Cards</b>	Information on who is eligible for a card as well as contact details for each state and territory where customers can get information on concessions available from their state or territory government.
<b>Australia’s International Social Security Agreement factsheets</b>	Information on International Social Security Agreements with individual countries for social security coverage.
<b>The What, Why and How of Family Assistance</b>	Information on support offered by the Australian Government through the Family Assistance Office to help with the cost of raising children and to help balance work and family needs.

These publications and information from other government and non-government organisations, are available by calling Centrelink on the “13” numbers listed above, by going to a Centrelink Customer Service Centre, or by visiting the Centrelink website at [www.centrelink.gov.au](http://www.centrelink.gov.au) (go to “Publications”).

### Audio tapes

Some publications are available on audio tapes for people with a vision impairment.

### Multilingual publications

Most publications are available in multiple languages.

The above publications are available by calling Centrelink, from Centrelink Customer Service Centres, or can be downloaded from the Centrelink website at [www.centrelink.gov.au](http://www.centrelink.gov.au) (go to “Publications”).

