

Hardship information



Hardship provisions of the assets test

People with little or no entitlement to a pension, benefit or allowance because of their assets, who as a result are in severe financial hardship, can be assisted by social security hardship provisions.

Rate of payment under the hardship provisions

The rate payable of pension, benefit and allowance or family allowance depends on each individual case and is calculated using a special formula.

Pensions

A person may be eligible for hardship payments if:

- their pension is reduced or not payable because of the assets test
- they own an asset which they cannot sell or be reasonably expected to sell
- they cannot borrow against the asset or be reasonably expected to borrow against the asset
- they are in severe financial hardship because of the assets test
- they would otherwise qualify for payment under the income test, **and**
- gifting provisions do not apply or can be disregarded—see the factsheet *Gifting*.

A pensioner is considered to be in severe financial hardship if:

- their total income (including any pension paid under the assets test) is less than the maximum rate of pension
- their readily available funds are less than the allowable limit, **and**
- there is no other course of action which they could be expected to take to improve their financial position.

Other assistance available for pension customers

The Pension Loans Scheme is a voluntary arrangement that provides income support for a short or indefinite period of time. It is a regular fortnightly pension payment to supplement or top-up a reduced pension entitlement—see the factsheet *Pension Loans Scheme*.

Allowances and benefits

A person may be eligible for hardship payments if:

- they are not paid an allowance or benefit because of the assets test
- they own an asset which they cannot sell
- they cannot borrow against an asset
- their asset is on the market to be sold at a realistic price
- they are unable to qualify for any other Australian Government assistance
- gifting provisions do not apply or can be disregarded
- they are in severe financial hardship because of the assets test, **and**
- they would otherwise qualify for payment under the allowance income test.

A person is considered to be in severe financial hardship if:

- their total fortnightly income is less than the maximum fortnightly rate of allowance or benefit payable to the person
- their readily available funds are less than the allowable limit, **and**
- there is no other course of action which they could be expected to take to improve their financial position.

Readily available funds test limits

For:

- ABSTUDY
- Age Pension
- Austudy
- Bereavement Allowance
- Carer Payment (child and adult)
- Disability Support Pension
- Special Benefit
- Widow B Pension
- Wife Pension, **and**
- Youth Allowance (Students).

The limits are:

- Single—\$18 228.60
- Couples (combined)—\$27 482.00.

Note: these limits are current as at 20 March 2010 and will be indexed twice yearly in line with pension indexation in March and September of each year.

For:

- Newstart Allowance
- Parenting Payment (Partnered)
- Partner Allowance
- Sickness Allowance
- Widow Allowance, **and**
- Youth Allowance (Job Seeker).

The limits are:

- Single (no children)—\$12 032.80
- Single (with children)—\$13 018.20
- Single (aged 60 plus and on income support for a minimum of nine months)—\$13 018.20
- Couples (combined)—\$21 720.40

The limit for Parenting Payment Single is \$15 633.80.

Do I need a claim form?

Yes. You will need to complete a *Claim for consideration under hardship provisions* form for either a pension, allowance or benefit.

Note: where both members of a couple are applying for payment under the hardship provisions, each person must claim in their own right. This can be done by each completing separate forms or completing one claim form with both partners' details provided.

How to find out more

Financial Information Service **13 2300**

Planning for or needing help in retirement

Financial Information Service

seminar bookings **13 6357**

Looking for work **13 2850**

Parent or guardian **13 6150**

To speak to Centrelink in languages

other than English **13 1202**

TTY* enquiries

Freecall™ 1800 810 586

*TTY is only for people who are deaf or have a hearing or speech impairment. A TTY phone is required to use this service.

Go to our website at **www.centrelink.gov.au**

Check the “we speak your language” link on Centrelink’s website for information in languages other than English.

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.

Disclaimer

The information contained in this publication is intended only as a guide to payments and services. It is your responsibility to decide if you wish to apply for a payment and to make an application, with regard to your particular circumstances.

This information is accurate as at March 2010. If you use this publication after that date, please check with us that the details are current.