



**MCL Financial
Services**

Newsletter

September

CENTRELINK UPDATE

The Australian Government provides the Age Pension for eligible recipients who cannot fully fund their own retirement through their own savings. The Age Pension is managed by the Department of Human Services, or Centrelink as we commonly know them, and there is strict eligibility criteria, which includes a residency period, age qualification and an assessment of income and assets. Due to this criteria, not every Australian will be eligible for an Age Pension.

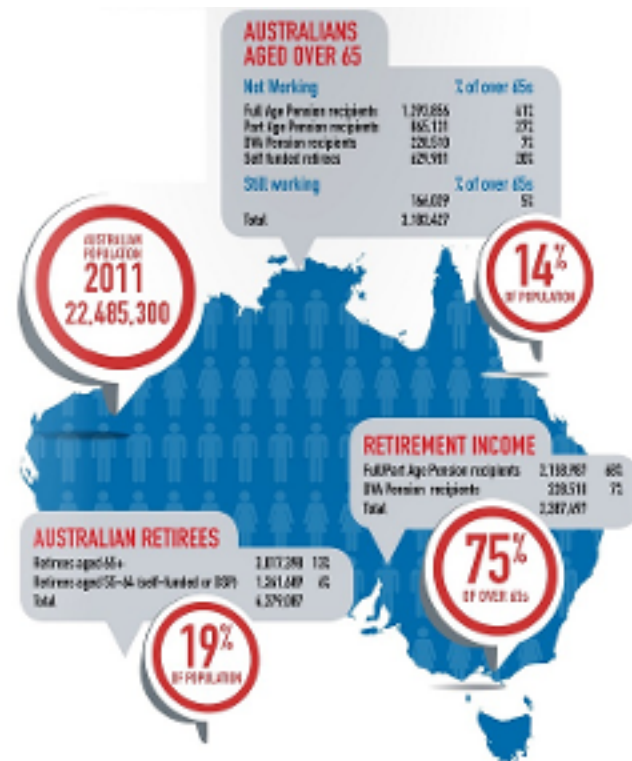
The current qualification age for the Age Pension is 65 years. This will rise by six months every two years until it reaches 67 by 1 July 2023.

The current rate of a full single Age Pension, including the Pension Supplement and Clean Energy Supplement is \$23,254 a year.

The amount of Age Pension paid is indexed twice a year, in March and September, in line with the rise in Consumer Price Index (CPI).

There are certain asset and income limits tests that you need to pass before you are granted a pension. If your assets or income exceeds those required for a full Age Pension, you may be eligible for a part Age Pension. And if you do not qualify for any Age Pension, you may, however, be eligible for a Commonwealth Seniors Health Card if your income is below a certain level.

From 20 September 2017, the new rates of payment, as shown on the following page, will apply.



AGE PENSION

Planning your finances in retirement will help you decide whether you can support your ideal retirement lifestyle with or without the help of the Age Pension.

And, if you've just missed out on a part Age Pension due to your income or assets, indexed thresholds may mean you now qualify, so what are the new rates?

From 20 September 2017, the following pension payment rates will apply:

Maximum Age Pension payment rates

		Previous	Current	Increase
Single	Base	\$808.30	\$814.00	\$5.70
	Supplement	\$65.90	\$66.30	\$0.40
	Energy Supplement	\$14.10	\$14.10	—
	Total	\$888.30	\$894.40	\$6.10
Couple (each)	Base	\$609.30	\$613.60	\$4.30
	Supplement	\$49.70	\$50.00	\$0.30
	Energy Supplement	\$10.60	\$10.60	—
	Total	\$669.60	\$674.20	\$4.60

What is the Commonwealth Seniors Health Card (CSHC)?

The CSHC gives you access to cheaper prescriptions via the Pharmaceutical Benefits Scheme, and an increase in benefits for medical expenses above a certain threshold via the Medicare Safety Net. You may also be eligible for bulk-billing for doctor's appointments (at the doctor's discretion).

As a CSHC holder you can also travel on the Ghan, Indian Pacific and the Overland rail services at concessional rates. Depending on the state that you live in, you may also be entitled to concessions from your state government and, from some private businesses. You can find out about the other discounts that you're entitled to by reading the Centrelink guide to concession cards on the Department of Human services website. I have included the link for the guide at the bottom of the article.

Income thresholds for CSHC: Taking effect from 20 September 2017, the CSHC income test thresholds have increased. From 20 September 2017, your annual adjusted taxable income must be less than \$53,799 (for a single person) or less than \$86,076 (for a couple, combined). If a couple is separated due to illness, respite care or prison, then the combined income threshold rises to \$107,598.

Note: Certain CSHC holders will receive the Energy Supplement, if they became eligible for the CSHC before September 2016.

Income and asset tests

Income limits

You can still receive a certain amount of income and receive an Age Pension. This income can be derived from investments, property rental or as a salary from employment, as well as several other means.

Exceeding the fortnightly income limit will see your pension reduced by 50 cents for every \$1 over the limit, until you reach the disqualification limit for a part Age Pension, at which point your Age Pension payment will cease.

Centrelink income test limits for pensions from 20 September 2017

<u>Situation</u>	<u>For full pension/allowance (per fortnight)</u>	<u>For part pension(pf)</u>
Single	up to \$168	less than \$1956.80
Couple (combined)	up to \$300	less than \$2996.80
Illness separated (couple combined)	up to \$300	less than \$3877.60

Asset limits

Asset test limits are used to determine whether you qualify for an Age Pension and if so, at which rate it will be paid. Your fortnightly Age Pension payment is reduced by \$3 for every \$1000 you exceed the asset limit. Once you exceed the limits for a part Age Pension, your Age Pension payment will cease.

Your assets, whether held within or outside of Australia will normally be assessed at their market value. Any debt owed against the asset will normally be deducted from the calculation.

<u>Situation</u>	<u>Homeowners</u>	<u>Non-homeowners</u>
Single	\$253,750	\$456,750
Couple (combined)	\$380,500	\$583,500
Illness separated (couple combined)	\$380,500	\$583,500
One partner eligible (combined assets)	\$380,500	\$583,500

<u>Situation</u>	<u>Homeowners</u>	<u>Non-homeowners</u>
Single	\$552,000	\$755,000
Couple (combined)	\$830,000	\$1,033,000
Illness separated (couple combined)	\$977,000	\$1,180,000
One partner eligible (combined assets)	\$830,000	\$1,033,000

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