



MCL
Financial Services

Centrelink March 2018 review of payments

The Age Pension rates, effective from 20 March 2018, and applicable until 19 September 2018, are set out in the tables below. (Age Pension rates applicable from 20 September 2017 until 19 March 2018 also appear in the tables below). The Age Pension rates are indexed twice a year, with the next review taking effect from 20 September 2018.

A single person eligible for the Full Age Pension can expect a yearly Age Pension income (including Pension Supplement and Energy Supplement) of around \$23,598.

A couple eligible for the Full Age Pension can expect combined yearly Age Pension entitlements (including Pension Supplement and Energy Supplement) of around \$35,573.

Extra payment amount: The Pension Supplement (PS) is paid fortnightly like the Age Pension (unless you request for it to be paid quarterly), and it is designed to assist you with household bills and everyday expenses. The maximum fortnightly payment for the PS is now \$67.30 for singles, and \$50.70 each (or \$101.40 combined) when part of a couple. The Energy Supplement (ES) (formerly called Clean Energy Supplement) is no longer indexed but is paid fortnightly. The maximum fortnightly payment for the ES is \$14.10 for singles, and \$10.60 each (or \$21.20 combined) when part of a couple. The Clean Energy Supplement (CES) (now called the Energy Supplement) is an “an ongoing payment to help eligible households with any impact from the carbon price on everyday expenses... provided you are residing permanently in Australia” said the former ALP federal government. The ES is treated as non-taxable and is not considered ‘income’ for the purposes of family assistance or income support.

Note: As announced in the May 2016 Federal Budget, since 20 September 2016, the Energy Supplement is not available to new Age Pensioners, although existing Age Pensioners as at 19 September 2016, continue to receive the Energy Supplement.

Please note: In the table on the next page ‘pf’ stands for ‘per fortnight’. The Age Pension rates are adjusted twice-yearly – in March and September.

Age Pension rates – Single (per fortnight)

	From 20 March 2018	From 20 September 2017	Increase
Base	\$826.20	\$814.00	\$12.20 pf
Pension Supplement	\$67.30	\$66.30	\$1.00 pf
Energy Supplement	\$14.10	\$14.10	\$0.00 pf
Total	\$907.60	\$894.40	\$13.20 pf

Age Pension rates – Couple (each member of couple, per fortnight)

	From 20 March 2018	From 20 September 2017	Increase
Base	\$622.80	\$613.60	\$9.20 pf
Pension Supplement	\$50.70	\$50.00	\$0.70 pf
Energy Supplement	\$10.60	\$10.60	\$0.00 pf
Total	\$684.10	\$674.20	\$9.90 pf

Source: Centrelink

Age Pension basic rates – transitional rules

Background: Due to a tightening of the Age Pension income test from 20 September 2009, the Government introduced a transitional Age Pension rate to protect the entitlements for existing pensioners as at 20 September 2009 (affecting about 30% of Age Pensioners at the time). Without the introduction of a transitional rate, some individuals would have faced a cut in payments. Affected Age Pensioners will remain on the transitional rate (plus allowances) until they are better off under the new rules that came into effect from 20 September 2009.

Transitional Age Pension rate for a single person: The transitional rate is indexed to the Consumer Price Index (CPI) increases in March and September. According to the Department of Social Services (DSS), the notional maximum pension for transitional rate pensioners from 20 March 2018 (until 19 September 2018) is \$762.00 per fortnight (including Energy Supplement of \$14.10) for a single pensioner, or approximately \$19,812 for the year. (From 20 September 2017 until 20 March 2018, the transitional rate for single pensioners is \$752.40 per fortnight, including ES, or approximately \$19,562 for the year.)

Transitional Age Pension rate for a couple: The maximum pension for transitional rate for pensioner couples is \$1229.60 (combined) from 20 March 2018 (until 19 September 2018), or approximately \$31,564 for the year. (From 20 March 2017 until 19 September 2017, the maximum pension for transitional rate for pensioner couples is \$1206.80 (combined), or approximately \$31,970 for the year.)

Note: If you're on the transitional Age Pension rate, you will be assessed under the old and new rules, until Centrelink assesses that you will be better off under the new rules. Once Centrelink determines that you're better off under the new rules, you will then be permanently subject to the new rules. According to one of our readers, his research indicates that most individuals on the transitional Age Pension rate should have reverted to the regular rates by September 2010. Presumably there are still Australians on the transitional rates (if the Government continues to publish updated transitional rates).

As at March 2018, the government continues to publish transitional rates for the Age pension which means that there are Australians who continue to be eligible for the transitional rates. According to Centrelink, the transitional rates are indexed by CPI (inflation) only.

Age Pension transitional rates – Single (per fortnight)

	From 20 March 2018	From 20 September 2017	Increase
Age Pension (maximum)	\$747.90	\$738.30	\$9.60 pf
Energy Supplement	\$14.10	\$14.10	\$0.00 pf
Total	\$762.00	\$752.40	\$9.60 pf

Age Pension transitional rates – Couple (each member of couple, per fortnight)

	From 20 March 2018	From 20 September 2017	Increase
Age Pension (maximum)	\$604.20	\$596.40	\$7.80 pf
Energy Supplement	\$10.60	\$10.60	\$0.00 pf
Total	\$614.80	\$607.00	\$7.80 pf

Source: Centrelink

Important note for non-residents and nomadic Age Pensioners: If you're eligible for the transitional rate Age Pension, and you are a non-resident of Australia, OR you are absent from Australia for more than 6 weeks, then you will be paid a reduced transitional rate. For a single person, the rate from 20 March 2017 is \$686.20 a fortnight (and from 20 September 2017 until 19 March 2018, the transitional rate for this single person category is \$677.20 a fortnight). For a couple, the reduced transitional rate is \$1146.80 a fortnight (and from 20 September 2017 until 19 March 2018, the transitional rate for this couple category is \$1132.00 a fortnight).

Many of the rates and thresholds that are linked to the Age Pension also changed from 20 March 2018, including the following:

- Age Pension income test (upper threshold)
- Age Pension assets test (upper threshold)
- Allowances
- Family payments