

September 2014

AGE PENSION

CENTRELINK ASSESSMENT CHANGES

If you are over 65 years old and your superannuation is not yet in a pension phase OR
For some over 60 years old and not working with superannuation in accumulation stage
- **YOU NEED ADVICE BEFORE DECEMBER 2014.**

**There are changes that will have a negative impact the way 'account-based' pension
or super-pensions are assessed by Centrelink.**

For Age Pensioners:

The Government has allowed a certain amount to be paid from Account Based Super Pensions, without it being assessed as income. This is known as the deductible amount. It often means that pensioners can draw quite generous incomes, without any of it being assessed under the income test.

For Seniors Health Care Card recipients:

None of the income received from Account Based Super Pensions is currently assessed for the card. This is because assessment is based on taxable income – and these pensions are tax free for anyone aged 60 and over.

From 1 January 2015, this will change:

Superannuation Account Based Pensions will fall in line with other investments, such as term deposits and bank accounts.

That is, the pension will be deemed. In essence this will mean the Government will assume the super pension is paying a certain percentage return.

This assumed return (the deemed amount) will be included in your assessable income for Centrelink purposes.

This deemed amount will be the income counted, no matter what the actual amount being drawn is.

The treatment / assessment by Centrelink when assessing age pension will change for new super pensions from January 2015. It is grandfathered so will not impact account based pension established before 1 January 2015.

YOU NEED TO ACT NOW

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