

# Changes to the government Age Pension asset test

From 1 January 2017 changes to the government Age Pension asset test will take effect, which may impact the pension you receive. These changes were announced in the 2015 Federal Budget and have successfully passed. We will explain these changes and what they could mean for you.

## The Age Pension and the asset test

The Age Pension provides income support and access to a range of concessions for eligible Australians.

Your eligibility for the Age Pension depends on the value of what you own – your assets and your income level. Assets can include your superannuation or investment properties. Some people are eligible for a full pension, some a part-pension, and some aren't eligible to any entitlements at all.

The asset test indicates the value of assets (or threshold) you can have before you lose eligibility for the Age Pension.

## What will change?

From 1 January 2017, the government is changing the criteria for who can receive the Age Pension by changing the asset test thresholds.

- ▶ The amount of assets you can have and still receive a full pension will increase, and
- ▶ the cut-off limit where you will not receive any pension will decrease.

Some pensioners will benefit, and some will be worse off. According to SuperGuide, more than 300,000 people currently receiving the Age Pension will have the entitlements cut, with just under 100,000 of those people losing all entitlements.

## Asset test thresholds as of 1 January 2017

SINGLE	COUPLE	HOMEOWNER	FOR THE FULL AGE PENSION, YOUR ASSETS MUST BE LESS THAN:		YOU WON'T RECEIVE THE AGE PENSION IF YOUR ASSETS EXCEED:	
			CURRENT	1 JAN 2017	CURRENT	1 JAN 2017
✓		✓	\$209,000	\$250,000	\$793,750	\$542,500
✓			\$360,500	\$450,000	\$945,250	\$742,500
	✓	✓	\$296,500	\$375,000	\$1,178,500	\$816,000
	✓		\$448,000	\$575,000	\$1,330,000	\$1,016,000

## Will my entitlements change?

If you're already on the full pension, your pension payments won't change.

If you're receiving a part pension, any changes to your payments will depend on the assets you own and how much they exceed the new thresholds. The new thresholds mean that some people will be paid more, and some will lose part or all of their payment. If you are a couple, the change will apply to both of you.

NOW	1 JANUARY 2017
For every <b>\$1,000</b> in assets over the threshold, your pension entitlement could be reduced by <b>\$1.50</b> a fortnight.	For every <b>\$1,000</b> in assets over the threshold, your pension entitlement could be reduced by <b>\$3.00</b> a fortnight.

**Use the Centrelink Asset test estimator to see how the assets test changes may impact your pension. Visit: [www.humanservices.gov.au/customer/enablers/changes-pension-assets-test](http://www.humanservices.gov.au/customer/enablers/changes-pension-assets-test)**

If you lose your pension in 2017 as a result of these changes, you will automatically be entitled to receive a Commonwealth Seniors Health Care Card or a Low Income Health Care Card. These cards can provide discounts and concessions for things like pharmaceutical, bulk billed doctor visits and public transport.

## Age requirements for the Age Pension

To be eligible for the Age Pension you need to be 65 years or older. From 1 July 2017, the qualifying age will increase to 65 years and six months.

The qualifying age will then increase by six months every two years, reaching 67 years by July 2023.

## How can you prepare for the changes?

If you are affected by the changes, this is a good time to review your finances. You might be able to reduce your asset test by taking that holiday you've dreamed of, or renovating your home.

A Vision Super financial planner can help you figure out how to budget, reduce your assets if suitable, replace lost income. Call **1300 300 820** to arrange an appointment.

## Want to know more?

Stay tuned for updates as we get closer to the new year, the Centrelink website is also a good place to look for more information.