

Allowable asset to rise

Q: I've heard that the assets test limit for Centrelink payments is increasing. What are the changes? When do they take effect?

A: Significant changes to the pension asset limits come into effect on 20 September 2007. More people will be eligible for Centrelink payments under the categories of age pension, disability support pension and carer payment.

People on a reduced pension because of their assets will receive an automatic payment increase. This is because the assets test taper rate will be halved. Pensions will be reduced by \$1.50 a fortnight (instead of \$3.00 a fortnight) for each \$1000 of assessable assets above the allowable limits.

The 50 per cent assets test exemption will be removed for complying income streams.

In late June 2007 Centrelink commenced sending letters to Commonwealth Senior Health Card holders and those customers who had assets rejected from 01 July 2006, such as those on disability support pensions and carer payments.

Clients will be encouraged to claim payment if they think their assets are below the new limits. Such people are likely to contact their accountants or Centrelink for advice. Centrelink Financial Information Services seminars and publication will include details of the new rules. Information is also available on the Centrelink website at www.centrelink.gov.au, or you can call the Centrelink Retirement line on 13 23 00.

New asset limits started on 20 September 2007

(Note: these limits may vary because of CPI adjustments)

Under the new rules, the value of assets people can have and still get a payment will increase. This means people can have higher amounts of assets than before and still be eligible for payment. They might be eligible if the value of their assets is below the following amounts.	Single		Couple (combined)	
	Homeowner*	Non - homeowner	Homeowner*	Non - homeowner
	\$515,500 (up from \$338,500)	\$632,500 (up from \$445,500)	\$818,000 (up from \$523,500)	\$935,000 (up from \$640,500)

* The value of the principal home is not included in the assets test.