

Qualifying for the Australian Age Pension

5 Steps to Working out Eligibility and Level of Payment

Incorporating New Assets Test Rules effective 1 January, 2017



simplyretirement 

Disclaimer: Whilst the Complete Retirement Group Pty Ltd (CRG) has taken all reasonable care in preparing this publication, it does not warrant its accuracy and it is not intended as a substitute for seeking professional advice or making reasonable inquiries to Centrelink regarding eligibility for an Age pension. Accordingly, CRG disclaim all responsibility and accept no liability (including in negligence) for the consequences of any person acting, or refraining from acting, on information contained in this publication.

Qualifying for the Australian Age Pension

5 Steps to Working out Eligibility and Level of Payment

1

Age

Date of Birth	When you Qualify
Before 1/7/1952	65 years
1/7/1952 to 31/12/53	65 years and 6 months
1/1/1954 to 30/6/1955	66 years
1/7/1955 to 31/12/1956	66 years and 6 months
From 1/1/1957	67 years

2

Residency Requirements

To be eligible for Age Pension you must satisfy residence requirements .

On the day you submit your claim , you must be:

an Australian resident , and
physically present in Australia

You also need to have been an Australian resident for a continuous period of at least 10 years, or for a number of periods that total more than 10 years with one of the periods being at least 5 years, unless you meet certain limited exceptions .

You may also meet the residence requirements if you have lived or worked in a country with which Australia has an international social security agreement .

Note that a person returning to Australia from overseas must meet the legislation's definition of "Australian resident" in order to lodge a proper claim for a pension . A former resident who returns to Australia and is granted an Age or other pension cannot take that pension outside Australia if they leave again within 24 months after having again become an Australian resident .

3

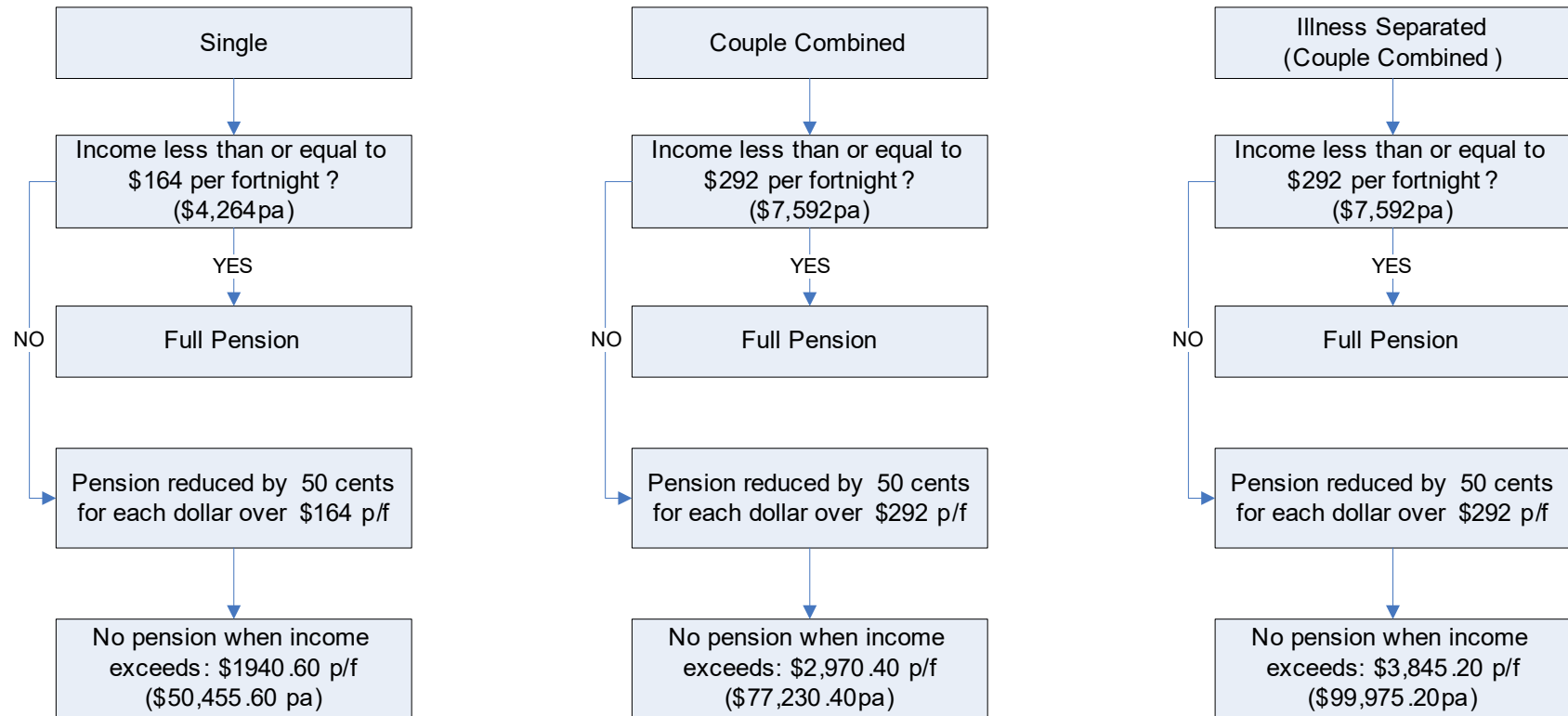
Income Test : Next Page

Income Test *

Most types of income ("assessable income") are taken into account when determining your Age Pension entitlement , including:

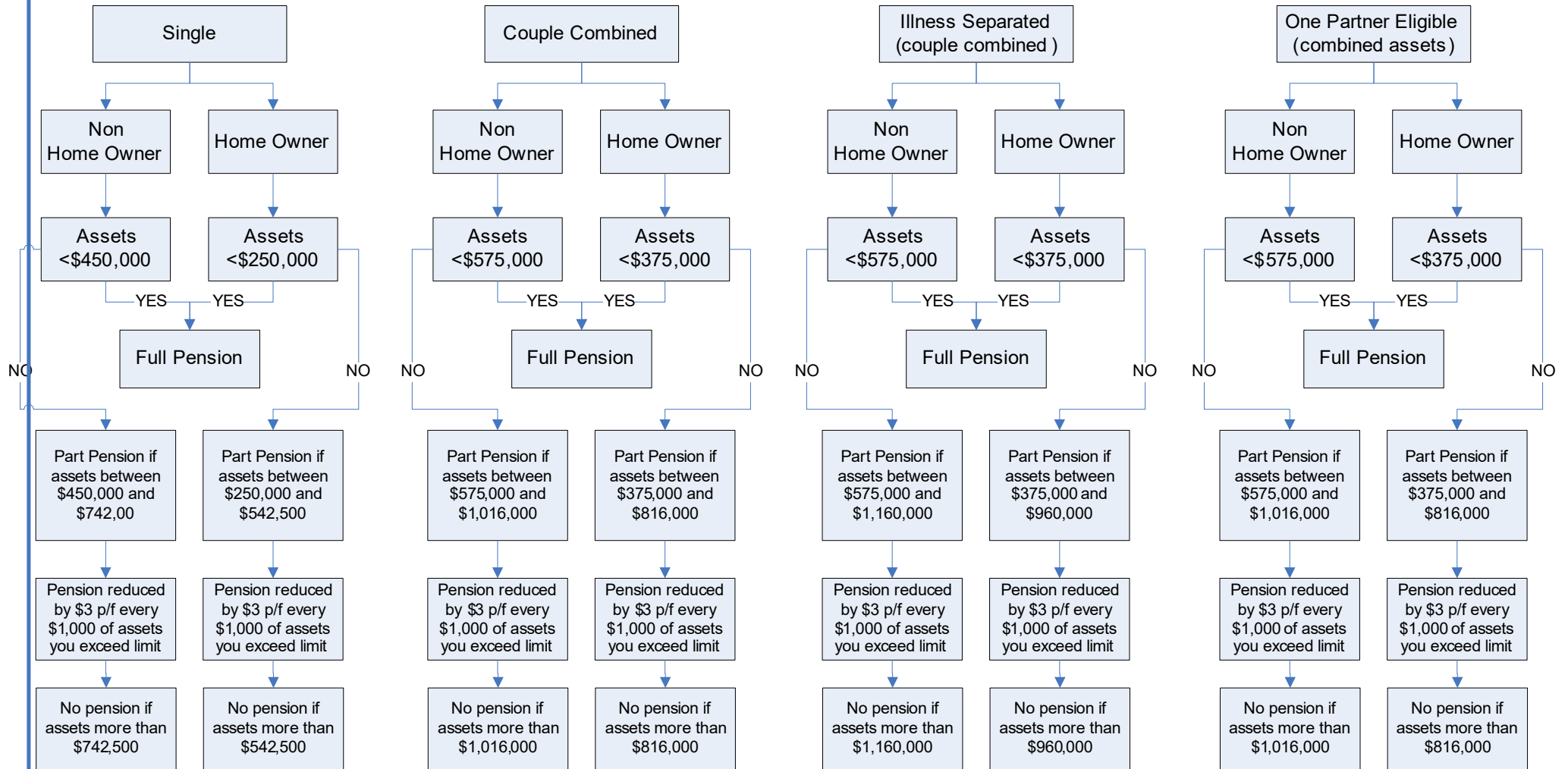
- Financial investments (including money in superannuation funds if you have reached age pension age)
- Gross employment income (if you are still working); including amounts salary sacrificed into super
- Income from sole trader or partnership businesses
- Distributions or dividends from private trusts and private companies
- Real estate income, including income from rental properties , boarders or lodgers
- Income from outside Australia , including non -Australian pensions

Some financial investments (eg. term deposits, shares, managed funds) are "deemed" to earn a certain rate of income , regardless of what they are actually earning (known as "deeming").



* Rates effective 20 March 2017

New Assets Test effective 1 January 2017



4

Assets Test – What is Included ?

The value of the various assets you own are taken into account when determining your Age Pension entitlement . Generally , the value of the assets is based on what you would get for them if you sold them at market value .

Assessed assets include (but are not limited to):

Real estate assets (excluding your principle home – unless it is used to conduct a business or is on more than 2 hectares of land)

Life interests (eg. where you transfer an asset to another person but retain an interest in the asset)

Retirement village entry contributions – if you pay less then the threshold (\$151,500 in 2016), you are considered to be a non - homeowner and your entry contribution is included in the assets test

Financial investments

Superannuation investments (super owned by you or your partner is included in your asset test if the owner is over age pension age)

Income streams

Business assets

Funeral investments (although there are a range of different funeral investments that may be either partially or fully exempt from the assets test)

5

Now compare the Pension Rate calculated under both the Income and Assets Tests – the lower rate is your applicable rate

For Information: Basic Age Pension Rates as at 20 March 2017

	Single	Couple Each	Couple Combined	Couple separated due to ill Health
Maximum Basic Pension Rate per fortnight	\$808.30	\$609.30	\$1218.60	\$808.30
Annualised Rate	\$21,105.80	\$15,841.80	\$31,683.60	\$21,105.80