

2023/24 EDITION

# 17 GOVERNMENT BENEFITS

ALL RETIREES SHOULD  
KNOW ABOUT





## Before you get started

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Before acting on any information contained herein you should consider if it is suitable for you. You should also consider consulting a suitably qualified financial, tax and/or legal adviser.

Information in this handbook is no substitute for professional financial advice.

We encourage you to seek professional financial advice before making any investment or financial decisions. We would obviously love the opportunity to have that conversation with you, and at the rear of this handbook you will find information about our authorised representative and how to go about booking an appointment.

If ultimately you decide not to meet with us we still encourage you to consult with another suitably licensed and qualified financial adviser.

In any circumstance, before investing in any financial product you should obtain and read a Product Disclosure Statement and consider whether it is appropriate for your objectives, situation and needs.

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# Letter from the Wealth Adviser Library

Dear **Reader**

## **Welcome to the Wealth Adviser Library**

This library was built specifically to facilitate the provision of sound financial information to everyday Australians.

Our mission is to build an accessible, comprehensively supported team of members who share our vision and commitment to providing tailored financial advice and a new foundation of financial understanding and security for everyone.

With a national network of likeminded experts, we have the potential to provide the financial building blocks for future generations.

## **Knowledge gives you a huge advantage**

We believe that knowledge gives you a huge advantage in creating and effectively managing wealth; in planning to reach your goals; and in being prepared for whatever unexpected twists and turns life may present.

That's why our team of experts has created this series of digital handbooks and manuals that seek to inform you of not only the benefits but also the potential risks and pitfalls of various strategies and investments.

We trust you enjoy this publication and find it informative and professionally presented. Of course, your feedback is always welcome as we strive to continually offer content in a format that is relevant to you.

## **Take the next step**

Wealth Adviser (a division of WT Financial Group Limited) supports more than 400 privately owned and operated advice practices around the country. We invite you to engage with one of our advisers to discuss what it was you were hoping to achieve when you obtained this handbook, and to establish if they can help you achieve your goals and objectives.

At the rear of this handbook you will find details on how to book an appointment.

**Wealth Adviser Library**



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# Introduction

If you are a retiree in Australia, there is a range of government financial help available if you meet eligibility requirements. Contrary to popular belief, there is no ‘official’ retirement age in Australia. You can retire at any age you like, provided you can afford it. You can also work for as long as you like, provided you’re physically and/or mentally capable and you have a job.

However, there are specific ages when you become eligible to access a range of government financial benefits in retirement. These financial benefits include:

- the age pension
- the Pension Concession Card
- the Commonwealth Seniors Health Card
- Seniors Cards
- rebates on utility bills
- the energy supplement
- discounts on council rates
- driver’s licence and vehicle registration concessions
- public transport and travel concessions
- Australian Defence Force concession cards
- the Medicare Safety Net
- the Pension Loans Scheme
- rent assistance
- the Seniors and Pensioners Tax Offset (SAPTO)
- dividend imputation credits
- tax-free super
- reduced minimum super pension drawdown requirements.

We will now look at each of these government financial benefits, their specific eligibility requirements and how you can claim them.



# 1. The age pension

Full or partial age pensions are available if you meet four requirements<sup>1</sup>:

- age eligibility.
- Currently, you must be at least 66 years of age. This age will rise to 66 years and 6 months on 1 July 2021 and 67 years on 1 July 2023.<sup>2</sup>
- you pass the age pension income test.
- Any income that you (and your partner, if you have one) receive must fall within specific threshold limits.<sup>3</sup>
- you pass the age pension assets test.
- Any assets that you (and your partner, if you have one) own must fall within specific threshold limits.<sup>4</sup>
- you have been an Australian resident for at least 10 years.

Both full and partial age pension rates are reviewed twice a year by the federal government (in March and September).<sup>5</sup>

You can apply for the age pension through Services Australia ([www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au)) within the 13 weeks before you are due to reach your age pension eligibility age.<sup>6</sup>

If you're already receiving the age pension, make sure you keep Centrelink updated on your income and asset levels. If they drop, you (and your partner, if you have one) could be eligible for an increased pension.

# 2. Pensioner Concession Card

You can get a card if you get any of the following payments<sup>7</sup>:

- Age Pension
- Bereavement Allowance
- Carer Payment
- Disability Support Pension
- JobSeeker Payment or Youth Allowance and are single, caring for a dependent child and looking for work
- Parenting Payment single.

Your Parenting Payment single ends when your youngest child turns 8. You can keep your card for 12 weeks after your Parenting Payment ends.

You don't need to apply for a Pensioner Concession Card. We'll send you one if you're eligible.

If you're 60 and over, you can get a card if for more than 9 months you've been getting any of the following payments:

- JobSeeker Payment
- Parenting Payment partnered
- Partner Allowance
- Sickness Allowance
- Special Benefit
- Widow Allowance.
- If you have a partial capacity to work

You may also get a card if you have a partial capacity to work and you're getting any of the following payments:

- JobSeeker Payment
- Parenting Payment partnered
- Youth Allowance as a job seeker.

If you find a job, you may be able to keep your card for a short time. It will be automatically sent to you once you qualify for the age pension. A Pensioner Concession Card entitles you to cheaper health care and medicines.

1. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/age-pension>  
2. <https://www.dss.gov.au/seniors/benefits-payments/age-pension>  
3. <https://www.servicesaustralia.gov.au/individuals/topics/income-test-pensions/30406>  
4. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/age-pension/how-much-you-can-get/assets-test>  
5. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/age-pension/how-much-you-can-get>  
6. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/age-pension/how-claim>  
7. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/pensioner-concession-card/who-can-get-card#a1>



## 3. The Commonwealth Seniors Health Card

If you aren't eligible for the age pension (and therefore for a pensioner concession card), you may still be eligible for the Commonwealth Seniors Health Card. This is a concession card that also allows you to access cheaper health care in Australia. It can enable you to<sup>8</sup>:

- get cheaper prescription medicines under the Pharmaceutical Benefits Scheme.
- bulk-bill doctor visits.
- get a larger Medicare refund on medical costs for out-of-hospital costs.

To be eligible for the Commonwealth Seniors Health Card, you must meet four requirements<sup>9</sup>:

- you have reached your age pension eligibility age.

- you're not eligible to receive for any payment from the Department of Human Services (including the age pension) or from the Department of Veterans' Affairs.
- you're an Australian resident and you live in Australia.
- Alternatively, you may hold a special category visa as a New Zealand citizen living in Australia.
- be under the income test limit
- It's important to understand that the Commonwealth Seniors Health Card income test has different thresholds to the age pension income test.

You can apply for the Commonwealth Seniors Health Card through accessing Centrelink via your myGov account.<sup>10</sup>

## 4. Seniors Card

You don't have to be retired to access a Seniors Card. In Australia, you're generally eligible to apply for one from your State or Territory government once you turn 60 years of age and you're not working full-time. Eligibility criteria and the benefits you're entitled to vary depending on where you live.

Examples of benefits that you can potentially obtain with a Seniors Card include discounts on government services such as public transport, council rates and utilities like electricity. You'll also be entitled to any discounts or special deals offered by commercial businesses to Seniors Card holders.

## 5. Rebates on utility bills

All States and Territories in Australia offer rebates for age pensioners and seniors on utility bills like electricity and gas. Rebate amounts differ depending on where you live, but they could save you a significant amount over the course of a year.

You can find out about your potential rebate entitlements via the relevant government or council authority in your State or Territory. For example, in New South Wales, you can find out about the Seniors Energy Rebate at Service NSW ([www.service.nsw.gov.au](http://www.service.nsw.gov.au)).

8. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/commonwealth-seniors-health-card>

9. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/commonwealth-seniors-health-card>

10. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/commonwealth-seniors-health-card/how-claim>



## 6. The energy supplement

You need to get certain payments or services from the government to get Energy Supplement.

You get Energy Supplement if you live in Australia and get either:

- an income support payment<sup>11</sup>
- ABSTUDY Living Allowance.
- You might get Energy Supplement if you either:
- get Family Tax Benefit
- have a Commonwealth Seniors Health Card.

If you get either of these 2 and an income support payment, you may not be eligible for the energy supplement. This depends on when you started getting the Family tax benefit or a commonwealth seniors health card. Detailed breakdown on eligibility dates for the Family Tax Benefit and Commonwealth Seniors Health Card below:

### Family Tax Benefit

Date you became eligible for FTB	Date the government will pay your energy supplement
After 20 March 2017	The government won't pay it.
Between 20 September 2016 and 19 March 2017	The government stopped paying it on 20 March 2017.
On or before 19 September 2016	The government will pay it with your regular FTB payment. It will continue unless there's a break in your eligibility for FTB.

### Commonwealth Seniors Health Card

Date you became eligible for a CSHC	Date the government will pay your Energy Supplement
After 20 March 2017	The government won't pay it
Between 20 September 2016 and 19 March 2017	The government stopped paying it on 20 March 2017
Before 19 September 2016	It will continue unless there's a break in your eligibility for CSHC
Date you started being eligible	Date the government will pay your Energy Supplement
On or before 19 September 2016	The government will pay it with your regular CSHC payment. It will continue unless there's a break in your eligibility for CSHC



## 7. Discounts on council rates

If you own or are paying off your home, all councils in Australia offer rate discounts for age pensioners and seniors. Again, the discount amounts vary depending on where you live, but you could save a significant amount over the course of a year.

You can find out about your entitlement to discounted rates by contacting your local council directly.

11. <https://www.servicesaustralia.gov.au/individuals/topics/income-support-payment-description/34696>





## 8. Driver's license and vehicle registration concessions

All States and Territories in Australia offer concessions on driver's licence and vehicle registration costs for seniors and pensioners. Yet again, the concession amounts vary depending on where you live, but you could save a significant amount.

You can find out about your entitlement to driver's licence and registration concessions by contacting the relevant government department in

## 9. Public transport and travel concessions

All States and Territories in Australia also offer a range of public transport and travel concessions to seniors and pensioners. The eligibility conditions, the range of concessions and the amounts vary depending on where you live, but you could save a significant amount. For example, in New South Wales a \$250 Regional Seniors Travel Card is available that can be used for fuel, taxi and public transport.

You can find out about your entitlement to public transport and travel concessions by contacting the relevant government department in your State or Territory (e.g. Service NSW).<sup>12</sup>

## 10. Australian Defence Force concession cards

If you have served with the Australian Defence Force, the Department of Veterans' Affairs provides a range of health concession cards. Healthcare and pharmaceutical

benefits are available, depending on whether you have seen active service or not during your time with the Australian Defence Force.

<sup>12</sup>. <https://www.service.nsw.gov.au/regionalseniorstravel>



## 11. Medicare Safety Net

If you have a partner and you have out-of-pocket medical costs for out-of-hospital services, make sure you register as a couple for the Medicare Safety Net. Medicare Safety Nets have thresholds. When you spend certain amounts in gap and out of pocket costs, you'll reach the thresholds. Once you've reached the thresholds, you'll start getting higher Medicare benefits. This means you'll get more money back from us for certain Medicare services. If your out-of-pocket medical costs for out-of-hospital services exceeds this threshold in a calendar year, you'll receive an enhanced Medicare rebate from the government.<sup>13</sup>

2020 Medicare Safety Nets Thresholds (the government calculates the Safety Nets each calendar year, 1 January to 31 December.

Definitions on Medicare safety nets can be found at the link in the footnote.<sup>14</sup>

You and your partner will be eligible to register as a couple provided you each have either a Pensioner Concession Card or a Commonwealth Seniors Health Card.



Thresholds	Threshold amount	Who it's for	What counts towards the threshold	What benefit you'll get back
Original Medicare Safety Net (OMSN)	\$477.90	Everyone in Medicare	Your gap amount for the calendar year.	100% of the schedule fee for out of hospital services.
Extended Medicare Safety Net (EMSN)- General	\$2169.20	Everyone in Medicare	Your out of pocket amount for the calendar year.	80% of out of pocket costs or the EMSN benefit caps for out of hospital services.
Extended Medicare Safety Net (EMSN) - Concessional and Family Tax Benefit Part A	\$692.20	Concession cardholders and families eligible for Family Tax Benefit Part A	Your out of pocket amount for the calendar year.	80% of out of pocket costs or the EMSN benefits caps for out of hospital services.

## 12. Pension Loans Scheme

The Pension Loans Scheme enables retirees to get a voluntary, non-taxable, fortnightly government loan.<sup>15</sup> These loan payments can supplement your retirement income.

To be eligible for the Pension Loans Scheme, you (or your partner) need to meet four requirements:

- You or your partner are age pension age.
- Get or are able to get a qualifying pension.
- ownership of real estate that you can use as security for the loan.
- You must have appropriate insurance cover for the real estate that you're offering as loan security.
- you and your partner must not be bankrupt or subject to a personal insolvency agreement.

13. <https://www.servicesaustralia.gov.au/individuals/services/medicare/medicare-safety-nets>

14. <https://www.servicesaustralia.gov.au/individuals/services/medicare/medicare-safety-nets/how-they-work>

15. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/pension-loans-scheme>



The amount you can get under the Pension Loan Scheme depends on your age and how much equity you have in your home. You can choose the amount of loan you get each fortnight. This amount can be up to 1.5 times the maximum payment rate of your eligible pension each fortnight. The government

currently charge an annual interest rate of 4.5% that compounds fortnightly on the outstanding loan balance. The longer you take to repay the loan, the more interest you pay.

You can apply for the Pension Loans Scheme through Centrelink via your myGov account.<sup>16</sup>

## 13. Rent Assistance

Federal government rent assistance is available to senior Australians. To be eligible for rent assistance, you need to meet two requirements:<sup>17</sup>

- you must be receiving certain government payments which are listed below:
  - Age Pension, Carer Payment or Disability Support Pension
  - ABSTUDY Living Allowance, Austudy or Youth Allowance
  - Bereavement Allowance or Widow Allowance
  - Partner Allowance, Special Benefit or Sickness Allowance
  - Family Tax Benefit – Part A at more than the base rate
  - Parenting Payment partnered and single
  - JobSeeker Payment or Farm Household Allowance.
- you must be paying rent, fees in a retirement village, board, lodging, or site fees (e.g. if you live in a caravan park).

The amount of rent assistance you will receive will depend on your individual circumstances.

You don't need to apply for rent assistance. Your eligibility will be assessed when you apply for a government payment (e.g. the age pension).

### Who can't get it?

You won't get Rent Assistance if:

- you're leasing from a state or territory housing authority
- you own or are buying the home you live in, except relocatable homes
- you're travelling away from the home you own for less than 12 months
- the Australian Government pays a subsidy to the approved residential aged care facility where you live
- your partner gets Rent Assistance with Family Tax Benefit
- you get an allowance and your partner gets Rent Assistance with their pension.

## 14. Seniors and Pensioners Tax Offset (SAPTO)

A tax offset reduces the amount of any tax you may have to pay (if you do need to pay any tax in your retirement). It's important to understand that offsets only reduce the amount of tax you may need to pay, they don't generate refunds. The best they can do is reduce your tax liability to zero.

To be eligible for the Seniors and Pensioners Tax Offset, you need to meet two requirements:<sup>18</sup>

- you must be receiving an Australian government pension or allowance (e.g. the age pension).
- you (and or partner if you have one) must satisfy the SAPTO income thresholds<sup>19</sup>.

The amount of offset you're entitled to will depend on your individual situation. You don't need to apply for the SAPTO. Your eligibility will be determined by the Australian Taxation Office when you lodge your tax return. The offset will then be applied to reduce any tax you owe.

16. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/pension-loans-scheme/how-apply>

17. <https://www.servicesaustralia.gov.au/individuals/services/centrelink/rent-assistance/who-can-get-it>

18. <https://www.ato.gov.au/Individuals/Income-and-deductions/Offsets-and-rebates/Seniors-and-pensioners-tax-offset/#Income>

19. <https://www.ato.gov.au/Individuals/Income-and-deductions/Offsets-and-rebates/Seniors-and-pensioners-tax-offset/#Income>



## 15. Dividend imputation credits

If you invest in Australian shares, Australia's dividend imputation system can allow you to reduce the amount of tax you may need to pay or to get a tax refund. Under this system, you receive what is called a 'franking credit' for the company tax already paid on any share

dividends you may receive. These credits can be used to offset your tax bill. If they exceed your tax bill, you will receive the remainder as a refund. If you have no tax bill at all, you can receive your franking credits as a tax refund.

## 16. Tax-free super

To reduce the tax rate to 0% in superannuation, you will have to turn your superannuation account from accumulation to pension mode. To be able to switch your super to pension mode, you will have to satisfy a condition of release. These conditions are:

- reach your preservation age and retire<sup>20</sup>

- reach your preservation age and choose to begin a transition to retirement income stream while you are still working
- are 65 years old (even if you have not retired).

Once you have met a condition of release, you can switch your super account to pension and the super tax rate in pension mode will be 0%.

## 17. Reduced minimum super pension drawdown requirements

One of the federal government's responses to the economic impact caused by the coronavirus (COVID-19) pandemic has been to reduce the minimum superannuation drawdown requirements for retirees with account-based pensions by 50% until the end of the 2020-21 financial year.<sup>21</sup> This reduces the pressure on retirees to sell investment assets when their value may have dropped.

The revised drawdown rates are below.

- retirees aged under 65: 2% (previously 4%).

- retirees aged from 65 to 74: 2.5% (previously 5%).
- retirees aged from 74 to 79: 3% (previously 6%).
- retirees aged from 80 to 84: 3.5% (previously 7%).
- retirees aged from 85 to 89: 4.5% (previously 9%).
- retirees aged from 90 to 94: 5.5% (previously 11%).
- retirees aged over 95: 7% (previously 14%).

20. <https://www.ato.gov.au/individuals/super/in-detail/withdrawing-and-using-your-super/withdrawing-your-super-and-paying-tax/?anchor=Whencyoucanaccessyoursuper#Preservationage>

21. <https://treasury.gov.au/coronavirus/households/retirees>



## The bottom line

As you can see, there are a variety of government benefits that you can potentially access in retirement. It's important to be aware of them and to claim all your entitlements.

### **Take the next step**

We trust you enjoyed this publication and found it informative and professionally presented. Of course, your feedback is always welcome as we strive to continually offer content in a format that is relevant to you.

We now invite you to take the next step and meet with an adviser to discuss what it was you were hoping to achieve when you downloaded this handbook and to establish if we can help you achieve your goals and objectives.

Next you will find details on how to book an appointment with an adviser.

We look forward to meeting you soon.



# Appointment booking request form

## About the Adviser

Please complete the Appointment Booking Request below and scan and email to:

Appointments are available Monday-to-Friday.

Please nominate your preferred day, date and time to meet with us. One of our client services representatives will call you to confirm your appointment.

## Our services

### Preferred appointment day and time

Day \_\_\_\_\_

Date \_\_\_\_\_

Time \_\_\_\_\_ am/pm

## Contact details

If you would like us to contact you via email to confirm your appointment or to answer any questions you have, please provide a valid email address for our records.

Email \_\_\_\_\_

### Your Details

Title \_\_\_\_\_

First name \_\_\_\_\_

Last name \_\_\_\_\_

Mobile \_\_\_\_\_



# Readers Notes



# Readers Notes