

Centrelink

The Age Pension, and how it is calculated



Many people in retirement live on a mix of their own savings and the government Age Pension. The Age Pension is paid to people who meet age and residency requirements. The rate you receive depends on the level of your income and assets.

How much will you get?

You can have a certain amount of income and assets and still receive the maximum rate of Age Pension. If your income or assets exceed the thresholds, your Age Pension reduces on a sliding scale.

Two tests – the income and assets tests – are used to assess your eligibility. The test resulting in the lower rate of Age Pension is applied.

Income Test

The income test is used to work out your rate of Age Pension based on how much income you receive. Most forms of income are considered, including rent, super and employment earnings. A government Work Bonus means that your employment income is treated at a concessionary rate under the income test.

Assets Test

The assets test is used to work out your rate of Age Pension based on the value of your assets, including property. Your family home is not included, but deciding to sell your home or other assets may affect your Age Pension rate.

Under the assets test, there are hardship rules for situations where you cannot sell a particular asset.

For details of your Age Pension eligibility, and the income and assets tests, visit www.humanservices.gov.au



For further information contact Carrick Aland Wealth Planning Pty Ltd on 07 4669 9800.

Seniors Card & Commonwealth Seniors Health Card

Even if you don't qualify for the Age Pension, you may be eligible for other benefits. For example:

- The Commonwealth Seniors Health Card helps with the cost of prescription medicines and other health services if you have reached the Age Pension age but do not qualify for the Age Pension.
- The Seniors Card is a state and territory government card that gives discounts on a travel and some retail services. It is available to Australians aged 60 and over. There is no assets or income test. Eligibility criteria and benefits vary slightly in each state and territory.

Source: ASIC MoneySmart 'Financial Decisions at Retirement' flier, September 2018

Carrick Aland Wealth Planning Pty Ltd is a Corporate Authorised Representative of Millennium3 Financial Services Pty Ltd, ABN 61094 529 987 Australian Financial Services Licensee - Licence Number 244252 - 7/50 Borthwick Avenue, Murarrie Qld 4172. This information (including taxation) is general in nature and does not consider your individual circumstances or needs. Do not act until you seek professional advice and consider the relevant Product Disclosure Statement. The views expressed in this publication are solely those of the author; they are not reflective or indicative of Millennium3's position and are not to be attributed to Millennium3. They cannot be reproduced in any form without the express written consent of the author.