

A guide to social security payments and entitlements

There are a number of different Social Security payments and entitlements available. Here we outline the qualifying criteria for some of the more common allowances, pensions and benefit cards.

Social Security payments

Age Pension

The Age Pension is a safety net for people who aren't able to fully provide for themselves when they retire.

Qualifying criteria - Age Pension

The age at which you qualify for Age Pension is different for men and women. If you're male, you must be 65 or older to qualify. If you're female, it depends on when you were born.

The table shows the date you would become eligible:

Women born between:	Eligible for Age Pension at age:
1 Jan 1943 and 30 June 1944	63
1 July 1944 and 31 Dec 1945	63½
1 Jan 1946 and 30 June 1947	64
1 July 1947 and 31 Dec 1948	64½
1 Jan 1949 and later	65

To claim the Age Pension you must be living in Australia and be an Australian resident.

The Age Pension is subject to both the Centrelink income and assets tests.

Newstart Allowance

Newstart Allowance is designed to support you while you seek employment or you're temporarily incapacitated.

Qualifying criteria - Newstart Allowance

To qualify, you must meet **all** the following criteria:

- You must be unemployed, actively seeking work or temporarily incapacitated.
- You must be at least 21 but under Age Pension age.
- You must be willing to enter into an 'Activity Agreement', which outlines job-search requirements, refers you to job search agencies or to specialists for help, or list activities you agree to undertake to help your employment chances.
- You must be an Australian resident and be present in Australia for the period of payment.

If you're between 50 and 64 years old you must seek full-time employment in the same way as a younger person, but you can meet your obligation through voluntary work and won't be required to 'work for the dole'.

If you choose to perform voluntary work, the organisation you work for must be community-based and not-for-profit. Work that replaces a paid worker or doesn't have a community focus is not considered voluntary.

Newstart Allowance is subject to both the Centrelink income and assets tests.

Parenting Payment

The Parenting Payment is paid to one person who cares for a child.

Qualifying criteria - Parenting Payment

You may qualify if you satisfy **all** the following conditions:

- You provide substantial care to a child, grandchild or foster child under 16 years old.
- You are an Australian resident and are in Australia on the date you claim (or have been an Australian resident and lived in Australia for two years at any time, or have been a refugee or held certain temporary visas, or have become a sole parent during your current period as an Australian resident).

The Parenting Payment is subject to both the Centrelink income and assets tests.

Carer Allowance

You may receive a fortnightly Carer Allowance and a Health Care Card if you look after a child with a disability or severe medical condition who requires a level of additional care or attention. A single rate of Carer Allowance may be payable where the combined level of disability of two children in the family meets the qualifying threshold.

Qualifying criteria - Carer Allowance

To qualify you must satisfy **both** conditions:

- You must live in the same home as the child you are caring for.
- Both you and the child must meet Centrelink's residence requirements.

What you receive will depend on the severity of the child's disability. Centrelink uses the Child Disability Assessment Tool (CDAT) to assess medical eligibility for Carer Allowance of children under 16. The tool measures the child's functional ability. You may be fast-tracked to Carer Allowance (child) if the child you care for has one of the severe disabilities or chronic medical conditions listed by Centrelink.

Carer Allowance (adult) is a supplementary payment for people who provide daily care for adults with a disability, severe medical condition or who are frail and at home. Carer Allowance (adult) may be paid on top of Carer Payment (adult) or other payments, such as Age Pension.

Carer Allowance payments are not subject to the Centrelink assets or income tests.

Disability Support Pension

The Disability Support Pension (DSP) provides support if your physical, intellectual or psychiatric impairment prevents you from working more than 15 hours per week at award wages.

Qualifying criteria - Disability Support Pension

To be eligible you must satisfy **all** the conditions listed under **either** 1 or 2 below.

- 1 You must:
 - be 16 or over but less than age pension age at the date you claim
 - have physical, intellectual, or psychiatric impairment assessed at 20 points or more
 - be unable to work for at least the next two years
 - be unable to undertake educational or vocational training which would equip you for work within the next two years.
- 2 You must be:
 - at least 16 but under age pension age when you claim
 - permanently blind.

Residency requirements are the same as for the Age Pension. Payments may start immediately if you're incapacitated while an Australian resident or during temporary absence. You may also receive the DSP for up to 26 weeks if you're temporarily overseas, or indefinitely if you're severely disabled.

Unless you are permanently blind, the DSP is subject to the Centrelink assets and income tests. If you live with your parents, their assets and income levels don't impact your DSP payment amounts. And, unless you're overseas, you'll also receive the pharmaceutical allowance (explained on the following page).

If you are assessed as being capable of between 15 and 30 hours of work, you'll only be eligible for Newstart Allowance. You'll need to seek part-time work of at least 15 hours per week.

Social Security entitlements

Pharmaceutical Allowance

The Pharmaceutical Allowance helps you buy prescription medicines available through the Pharmaceutical Benefits Scheme (PBS). The Pharmaceutical Allowance is a non-taxable payment included in your pension, allowance or benefit payment.

Qualifying criteria - Pharmaceutical Allowance

You may qualify for the Pharmaceutical Allowance if you are receiving:

- a pension from Centrelink
- Sickness Allowance, Bereavement Allowance, Carer Payment (adult/child), Parenting Payment (Single) or Mature Age Allowance
- Youth Allowance, Newstart Allowance, ABSTUDY, Partner Allowance or Widow Allowance during a period of temporary illness
- Newstart Allowance, Widow Allowance, Partner Allowance, Parenting Payment (Partnered), Austudy, ABSTUDY Payment or Special Benefit and you are 60 and have received income support payments continuously for at least nine months.

You should record how much you pay for your prescriptions. When you've paid for 56 prescription medicines through the PBS in a calendar year, all other PBS medicines will be free for the rest of the year. You may be able to apply to receive your Pharmaceutical Allowance in advance, up to a maximum of seven fortnightly instalments.

Health Care Card

If you receive certain Centrelink allowances, payments or benefits, you may be entitled to a Health Care Card (HCC) which gives you cheaper medicines under the PBS. You're also entitled to other concessions from state and local governments, which may include:

- reduced health care costs including ambulance, dental care and eye care
- reduced public transport costs
- reduced water rates
- reduced energy bills.

HCC concessions vary from state to state and some of these extra concessions are also available to dependants.

Although the HCC is linked to Centrelink allowances, payments or benefits which may be subject to the Centrelink assets or income test, the HCC itself isn't subject to the tests.

Qualifying criteria - HCC

To qualify you must:

- meet the residency requirements and be in Australia
- be receiving a qualifying social security benefit
- be receiving certain social security supplementary payments (such as the fortnightly maximum rate of Family Tax Benefit Part A by instalment, Carer Allowance (child), or Mobility Allowance but not qualify for a Pensioner Concession Card).

Pensioner Concession Card

The Pensioner Concession Card (PCC) provides you and your dependants with:

- cheaper PBS-listed prescription medicines
- an increase in benefits for out-of-pocket, out-of-hospital medical expenses above a certain threshold through the Medicare Safety Net
- help with certain hearing services such as hearing tests and hearing aids.

You may also be entitled to:

- bulk-billed General Practitioner appointments (at the discretion of your doctor)
- other payments from Centrelink such as Telephone Allowance, Utilities Allowance, and the Seniors Concession Allowance.

Qualifying criteria - PCC

To qualify you must:

- meet the residency requirements and be in Australia
- be receiving Age Pension, Disability Support Pension, Parenting Payment (Single) and Carer Payment or Mature Age Allowance

or

- be aged 60 years or over
- have been in continuous receipt of one (or a combination) of certain social security payments for at least nine months or have an average income (over eight weeks) which is less than the HCC income test limit.

You don't have to be receiving a full pension to qualify for a PCC.

Pension Bonus Scheme

The Pension Bonus Scheme provides a tax-free lump sum when you retire if you defer claiming the Age Pension (for up to five years) and continue to work.

Qualifying criteria - Pension Bonus Scheme

You must register for the scheme within 13 weeks of meeting the age and residence requirements for Age Pension. You must not have already received the Age Pension or another payment since reaching Age Pension age. You must show that you've worked an average of about 18 hours per week for at least 12 months from the date you register.

If you die before the bonus becomes payable, it cannot be paid to your estate or your spouse.

The scheme isn't subject to the Centrelink assets or income tests and for Centrelink purposes, the bonus isn't counted as income for the income test.

Rent assistance

You may qualify for rent assistance if you have limited means and pay rent to a private landlord for accommodation. Rent assistance is paid in addition to any pension, allowance, benefit or Family Payment you receive.

Qualifying criteria - Rent assistance

You may qualify for **rent assistance** if you pay more than a certain amount for:

- rent (other than for public housing)
- service and maintenance fees in a retirement village
- lodging (two thirds of the amount you pay for board and lodging)
- fees paid for a caravan site or similar which you occupy as your principal home
- fees paid to moor a vessel you occupy as your principal home.

You must also meet one of the following criteria:

- You are a pensioner with no dependent children.
- You are a family receiving additional Family Tax Benefit to help you with the cost of raising your children.
- You receive an allowance or benefit, have no children and:
 - you are 25 or older, or
 - you are married, or
 - you are under 25 and living indefinitely apart from your parents or guardians.

Department of Veteran's Affairs (DVA) concession cards

Repatriation Pharmaceutical Benefits Card (Orange Card)

The Orange Card entitles you to buy your prescribed medications at a reduced cost. Once you've received up to the annual safety net level, you won't pay for any further prescribed medication for the rest of that year. The Orange Card also qualifies you for a fortnightly Pharmaceutical Allowance to help offset the cost of prescriptions.

Repatriation Health Card (White Card)

The White Card gives you access to health care and associated services for war or service-related conditions. If you're an Australian forces veteran, it entitles you to receive treatment for malignant cancer, pulmonary tuberculosis and post traumatic stress disorder, whether or not these conditions are related to your war service.

Repatriation Health Card (Gold Card)

The Gold Card gives you access to health care and related services for all health care needs and all conditions, whether or not they are related to your war service. You'll receive a comprehensive range of medical, hospital, pharmaceutical, dental and allied health services, plus travel assistance to and from the nearest health care facilities.

Pensioner Concession Card

If you receive means tested DVA income support, you'll be entitled to the Pensioner Concession Card. The benefits under this card are identical to the Centrelink Pensioner Concession Card.

Things you should consider

This publication provides an overview or summary only and it shouldn't be considered a comprehensive statement on any matter or relied upon as such.

This publication doesn't take into account your personal objectives, financial situation or needs. It's important for you to consider these matters before making any financial decision and we recommend you seek help from a financial adviser.

IMPORTANT INFORMATION

This information was prepared by Securitor Financial Group Limited ABN 48 009 189 495 Australian Financial Services Licence Number 240687 and is current as at 11 December 2007.