

Pension Increase...

Written by Administrator

Monday, 10 May 2010 22:41 - Last Updated Tuesday, 08 October 2013 03:52



Pension increase and a change to deeming rates

On 20 March 2010 a number of important Centrelink changes took effect which will likely impact the level of Social Security benefits many pensioners will receive. "From 20 March 2010 pension payments increased by \$29.20 a fortnight for singles on the maximum rate, and \$44.00 a fortnight for couples combined on the maximum rate" says Dean Austin* from RI Blackwood.

Following these increases, total pension payments for those on the maximum rate, including the base rate and pension supplement, will be:

- \$701.10 a fortnight for singles, and
- \$1,057.00 a fortnight for couples combined.

Pension Increase...

Written by Administrator

Monday, 10 May 2010 22:41 - Last Updated Tuesday, 08 October 2013 03:52

“People eligible for the Age Pension, Disability Support Pension (adult rate), Carer Payment, Veteran income support payments, Wife Pension, Widow B Pension and Bereavement Allowance will all benefit from the increases” Dean says.

At the same time deeming rates, which are used to assess income from a range of financial investments held by pensioners and other income support recipients, have increased from 2% to 3% for financial investments up to \$42,000 for single pensioners or \$70,000 for a couple.

“For balances over these amounts the deeming rate increased from 3% to 4.5%. If a person’s investments earn more than these rates, the extra income is not assessed.

The increase in deeming rates reflects the fact that Centrelink consider people are now able to achieve a better real rate of return from their investments.

“As you know Social Security pensions and allowance payments are affected by both your income and assets. To determine the payment you receive, Centrelink applies both an income and assets test, with the test giving the lower rate used to determine your benefit says Dean Austin from RI Blackwood.

Pension Increase...

Written by Administrator

Monday, 10 May 2010 22:41 - Last Updated Tuesday, 08 October 2013 03:52

As a result of the increase in deeming rates, Centrelink customers who are affected by the income test may see a reduction in their entitlement.

“Financial investments that are affected by deeming include bank accounts, managed funds, term deposits, loans and listed securities, cash and shares, gold and other bullion and investments in superannuation funds held by persons who are over Age Pension age.” Dean Austin says.

To stay abreast of it all, it's a good idea to see your financial adviser. They can discuss how these changes will affect you, and ensure you're still getting the most out of your social security benefit.

For more information call Dean Austin from RI Blackwood on 08 8370 3001.

*Dean Austin is an Authorised Representative of RI Advice Group Pty Limited (ABN 23 001 774 125), Australian Financial Services Licence 238429. This editorial does not consider your personal circumstances and is general advice only. You should not act on any recommendation without considering your personal needs, circumstances and objectives. We recommend you obtain professional financial advice specific to your circumstances. This information is correct as at 26 March 2010.

Pension Increase...

Written by Administrator

Monday, 10 May 2010 22:41 - Last Updated Tuesday, 08 October 2013 03:52
