

# Age Pension payments to be reduced

## Centrelink changes the rules - are you prepared?

IF YOU'RE receiving an Age Pension payment and your total assets equate to between \$481,000 and \$1,100,000 Collins Hume highly recommend that you get some good, sound, financial advice prior to the end of the year.

New changes to Centrelink pension payments will effect many recipients, but you can minimise the effects by understanding what strategies you can implement in order to best manage the change.

### What are the changes?

The amount you receive from Centrelink in Age Pension payments is determined by an asset and income test. After assessing the outcome of each test, Centrelink will pay you the minimum amount required.

Currently Centrelink reduces pension payments



### Bank investments and savings

by \$1.50 for every \$1,000 that your assets are above the first threshold. From the first of January 2017, this reduction will be increased to \$3 for every \$1,000 per fortnightly payment.

Please note that the examples in this article relate directly to home owners.

Under the current assets test, your pension starts to reduce at the following

thresholds:

■ Couple \$291,500

■ Single \$205,500

You will not receive a pension if your assets are valued over:

■ Couple \$ 1,170,000

■ Single \$788,250

Depending on final indexing it is expected that the level at which you will receive no pension will change to approximately:

■ Couple \$823,000

■ Single \$547,000  
If your total assets are at these levels, your pension is expected to increase:

■ Couple \$451,500

■ Single \$289,500

The government expects that over 400,000 pensioners will be negatively impacted by these changes. If you believe that you may be adversely affected by these changes, you should seek expert professional advice

on the ways in which to manage your situation.

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