



Maximise your Age Pension entitlement

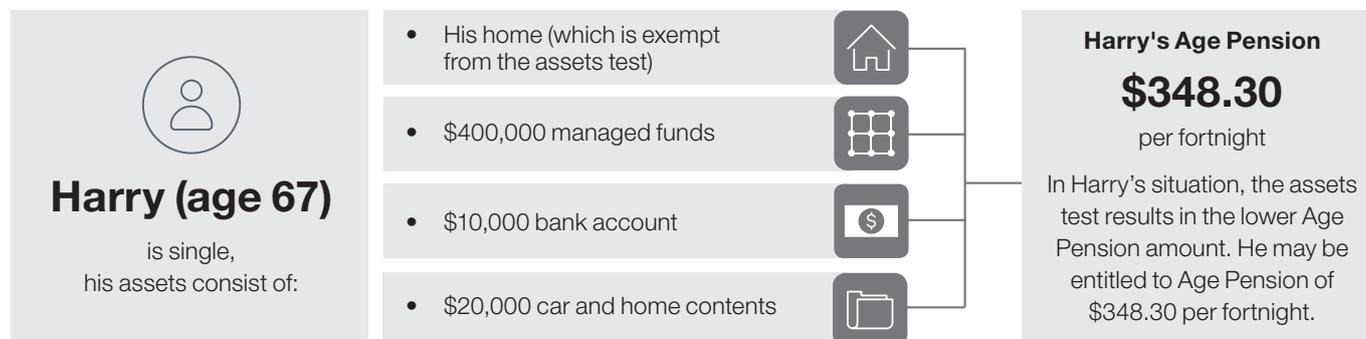
Centrelink's Age Pension provides income support and access to a range of concessions to eligible older Australians. A number of factors will determine your eligibility and potential entitlement including your age and your level of assets and income.

Currently, to be eligible for Age Pension, you must be 65 or over. From 1 July 2017, the qualifying age will increase as shown in the following table:

| If you were born | You qualify for the Age Pension at age |
|---------------------------------|--|
| On or before 30 June 1952 | 65 years |
| 1 July 1952 to 31 December 1953 | 65 years and 6 months |
| 1 January 1954 to 30 June 1955 | 66 years |
| 1 July 1955 to 31 December 1956 | 66 years and 6 months |
| On or after 1 January 1957 | 67 years |

The Age Pension entitlement is determined by the level of income or assets, which is referred to as the assets and income means tests. The means test which results in the lower Age Pension entitlement will be the rate of Age Pension you may be entitled to receive.

Example 1



Income test

An individual may receive the full Age Pension under the income test if their fortnightly income is below a certain limit. If their income is in excess of this limit, their pension entitlement will reduce by \$0.50 for each \$1 of income they have over the lower limit until such time as their entitlement reduces to \$0.

Assets test

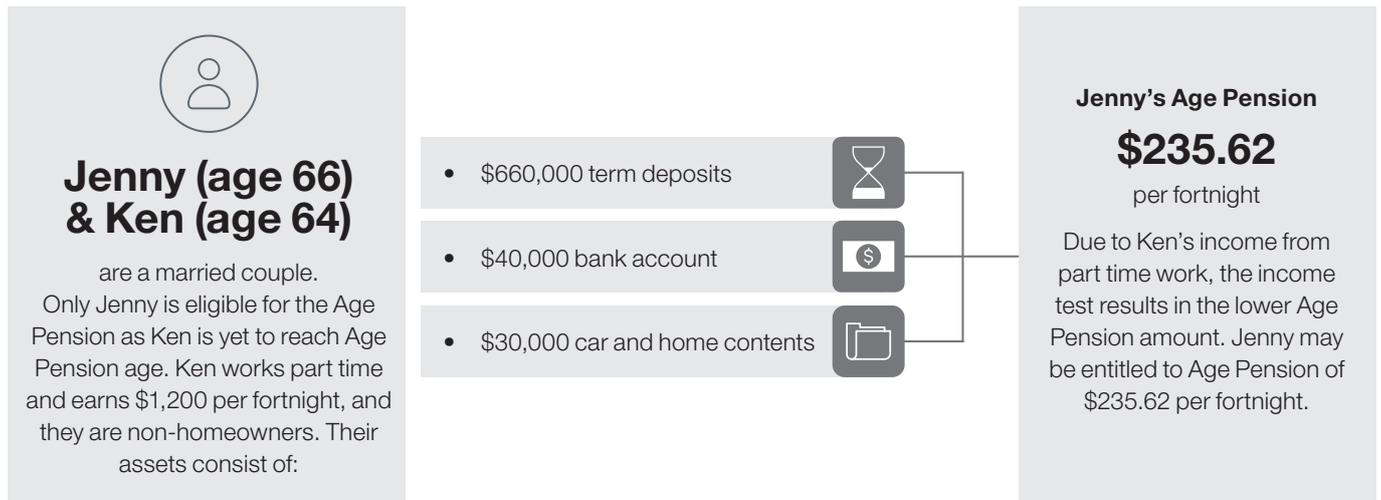
Like with the income test, an individual may receive the full Age Pension under the assets test if their assets are below a certain limit. If their assets exceed this limit, their pension entitlement reduces by \$3.00 for every \$1,000 of excess assets.

Other factors

Other factors which affect an individual's Age Pension entitlement include whether they are a homeowner, if they are single or a member of a couple, where and how they hold their assets, and where they derive their income.

There are different means test thresholds depending on an individual's homeowner status or if they are single or a member of a couple. For example, if they are a member of a couple, their combined assets and income are assessed when determining their eligibility for the Age Pension.

Example 2



Strategies to maximise Age Pension

The ability to maximise the Age Pension will always come down to the particulars of an individual's circumstances, however there may be ways to increase entitlements, such as:

- Consider putting some money in a spouse's superannuation fund if they are under Age Pension age,
- Spending funds on upgrading or renovating a home (which is an exempt asset),
- Purchasing a home in which to live if currently a non-homeowner,
- Taking out a funeral bond or pre-paying funeral expenses,

- Giving money or assets to children or other people, up to certain allowed limits,
- Spending money such as taking a holiday,
- Investing in an annuity that receives concessional Centrelink treatment,
- If an individual or their partner is entering aged care, paying the accommodation payment as a lump sum.

It's important to remember that everyone's situation is different and strategies that work for some, may not work for others.

For more information on how to best maximise your Centrelink entitlements, please speak to your financial adviser.

**Contact Financial Footprint
for further information
on 08 9322 7272 or visit
www.financialfootprint.com.au**

