



03 self-funded retirees seniors fact sheet

This fact sheet outlines ways in which the Howard Government supports self-funded retirees over age pension age.

Commonwealth Seniors Health Card (CSHC)

The main purpose of the Commonwealth Seniors Health Card (CSHC) is to assist Australian seniors who do not qualify for Age Pension, with certain living costs. It was introduced to support and encourage self-provision in retirement, and recognises the additional health costs incurred by people in this age group. CSHC holders are entitled to prescription items listed under the PBS at the concessional rate (with free prescriptions after the first 52 each year), and if eligible, a quarterly payment of Telephone Allowance.

To be eligible for a CSHC a person must:

- > be of Age Pension age, not receiving a social security pension or benefit, or a Department of Veterans' Affairs Service Pension or Income Support Supplement;
- > be an Australian resident; and
- > have an annual taxable income of less than \$50,000 for a single, \$80,000 for a couple combined, or \$50,000 each for a couple separated by illness.

There is no assets test.

For more information, contact Centrelink on **13 2300**, or visit www.centrelink.gov.au

Seniors Concession Allowance

Seniors Concession Allowance, announced by the Government during the election, is paid to holders of a CSHC to help with household costs and in recognition that most states do not provide concessions to this group. The payment, which commenced at \$200 a year, is indexed to the Consumer Price Index (CPI) and paid

automatically in two instalments in December and June each year. For further information contact Centrelink on **13 2300**, or visit www.centrelink.gov.au

Senior Australians Tax Offset

The Senior Australians Tax Offset (SATO) is a tax offset available to eligible senior Australians of current age pension or service pension age, to reduce tax liability. Where eligible, the SATO combined with the low-income tax offset, ensure that single senior Australians can have annual income up to \$20,500 without paying tax, while each member of a couple can have annual income of up to \$16,806 without paying tax. For further information call the Personal Tax Infoline on **13 2861** or visit www.ato.gov.au

Increasing the superannuation contributions age limit to 75

The Government has recently changed the work test for people aged 65 to 74 so that a person will no longer have to work every week in order to make a superannuation contribution. People in this age group can contribute to superannuation once they have worked at least 40 hours within a period of 30 consecutive days. Once a person satisfies this test they are able to make contributions for the rest of the financial year. Previously, superannuation funds were only able to accept mandated employer contributions on behalf of workers under 70.

Government superannuation co-contribution

The Australian Government contributes \$1.50 for every dollar of eligible personal superannuation contributions made. The maximum co-contribution of \$1500 is payable for those with an annual income of \$28,000 or less. This amount is reduced by 5 cents for every dollar of annual income over \$28,000.

03 financial benefits

The maximum income for eligibility is \$58,000 a year. For further information phone the Australian Taxation Office on **13 1020**, or visit www.ato.gov.au/super

Pension Bonus Scheme

Some people over age pension age continue to work and defer claiming Age Pension. They may also be drawing on their superannuation, and may have different work arrangements such as reduced hours or a different job.

People who work beyond age pension age may be eligible for the Pension Bonus Scheme. It provides an incentive for older Australians to defer claiming Age Pension and remain in the workforce. The scheme is entirely voluntary and provides a tax-free lump sum when participants eventually claim and are eligible to receive Age Pension. People must be gainfully employed for at least one year after registering for the scheme to be eligible for the bonus. For further information about this scheme, contact Centrelink on **13 2300**, or visit www.centrelink.gov.au

Financial Information

The Financial Information Service (FIS) provided by specialist Centrelink officers is an education and information service available to everyone in the community. FIS is independent, free and confidential, and provides services by phone, personal interview and through seminars. FIS helps people make informed decisions about investment and financial issues for their current and future financial needs. For more information about FIS call Centrelink on **13 2300**. For information about seminars being held, call Centrelink on **13 6357**.

The National Information Centre on Retirement Investments (NICRI) is an independent body funded by the Australian Government to provide the public with free information on financial investments, financial industry services and saving for retirement. NICRI can assist customers to provide for their retirement and to make the investment choices that are best for them. You can contact NICRI toll free on **1800 020 110**, or visit www.nicri.org.au

Seniors Information Booklets

The Australian Government Department of Family and Community Services (FaCS) produces a range of free booklets which provide practical and easy to read information on topics such as investment options, accommodation choices, concessions, seniors' organisations and other support available.

The publications are:

- > **Australian Retiree –Your Choices**, a valuable guide to services, concessions & seniors organisations for retirees;
- > **Investing Money –Your Choices**, which helps you understand the range of investment options available to you;
- > **Moving House –Your Choices**, which gives practical advice on buying, selling, renting and the actual move; and
- > **Home and Residence Choices for Older People**, which provides helpful information on accommodation and care options for older Australians; and
- > **Understanding Retirement Income Streams**, which explains retirement income streams and how they might be used in retirement planning.

These useful booklets are available free of charge. Simply phone Centrelink on **13 2300** to order your copy, or visit the Department of Family and Community Services' website www.facs.gov.au
