



Government Benefits

Overview of Centrelink

Aon Financial Education Series

Centrelink (part of the Department of Human services) offers a range of services and payments to support those in need. Benefits are provided in a variety of ways such as pensions, allowances, concessions and other services. The Department of Veteran Affairs (DVA) offers a more limited range of payments and services to current and former defence force personnel and their families. For more details of DVA services, please refer to their website at <http://www.dva.gov.au>

What payments do Centrelink provide?

Centrelink offer a range of payments to assist you in a number of circumstances including if you have children, are unemployed, are studying or have retired. The most common Centrelink benefits are listed below:

- Age Pension
- Family Tax Benefit
- Newstart Allowance
- Disability Support Pension
- Carer Payment and Carer Allowance

Are there tests I need to meet?

Yes, there are generally three main tests you need to meet before you will receive a payment:

- Residency requirements,
- An Assets Test, and
- An Income Test.

For some payments, you will need to meet additional requirements in relation to your age, health, or employment situation.

What's the difference between a Pension and an Allowance?

Pensions are generally paid for a long period of time, for example the Age Pension, whereas an allowance is meant to provide short-term support, for example Newstart Allowance. In addition, the Income and Assets tests are stricter for an allowance than for a pension.

Residency requirements

To satisfy the residence requirements you must be:

- An Australian resident on the day that you make a claim, and
- Be physically present in Australia on the day that you make the claim.
- Some payments have additional residency requirements you will need to meet.

Assets and Income tests

Centrelink will apply an Assets and Income test and will determine your payment amount under each test. Whichever amount is lower will then be paid to you, assuming you meet all the other requirements. Pensions and Allowances subject to the Assets and Income tests include Age Pension, Carer Payment, Disability Support Pension and Newstart Allowance.

The Assets Test

The Assets Test is designed to limit access to Centrelink benefits for a person with substantial assets. You are entitled to a certain value of assets before the maximum pension entitlement is reduced. The applicable thresholds depend on whether or not you are part of a couple, and whether you are a homeowner or non-homeowner.

The Income Test

Under the Income Test, you are entitled to earn a certain amount of income per fortnight before the maximum benefit is reduced. This income limit is reviewed on a regular basis. Where you are a member of a pensioner couple (including de facto), Centrelink assess the combined income of the couple against the partnered allowable income limit.

Concession Cards

Concession and health care cards provide you to access cheaper health services and medicines.

Centrelink offer a number of concession or health care cards, such as:

- Health Care Card
- Low Income Health Care Card
- Pensioner Concession Card
- Commonwealth Seniors Health Card

For more details of the services that Centrelink provide, please visit your local Centrelink office or go to their website at <http://www.humanservices.gov.au>

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This document, including all tax and super calculations, has been prepared using legislation in place as at 1 July 2018.