



About Seniors Budget snapshot

General snapshot

Carers

In addition to any pension increase received, a new Carer Supplement of \$600 p.a. will be introduced for those receiving the Carer Payment and \$600 p.a. for each eligible person in their care for those receiving the Carer Allowance. If both Carer Payment and Allowance are received by one person, then both supplements will be paid.



Future pension age

By 2023, the qualifying age for age pension will increase from 65 to 67. This increase will be gradually implemented from 2017, increasing six months every two years.

Living in aged care

Single Age Pensioners in aged care will keep \$10.09 of their increase with the remaining \$22.40 going to their care provider (as detailed below \$30 increase in single aged pension and \$2.49 increase in the new pension supplement).

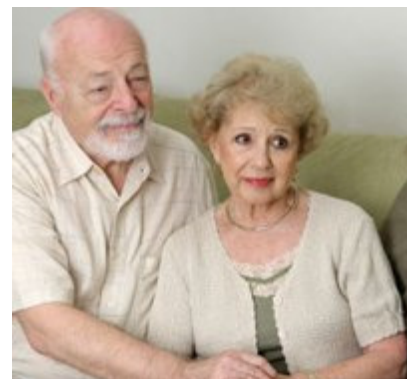
Self-funded retirees in aged care as of 19 September 2009, will be protected from any increase in aged care fees. For those entering a care facility after 19 September 2009, the increase in fees will be phased over four years to total 84% of the pension rate.

Pensioners' snapshot

Increased pensions

Single Age Pensioners receive an extra \$30 per week from 20 September 2009. This will be paid proportionately to those receiving part-pensions. The Single Age Pension is now two-thirds of the combined couple rate.

This increase is included in the Disability Support Pension, the Age Pension paid by the Department of Veteran's Affairs and the Carer Payment. The Widow Allowance is not included in this increase.



Combined allowances

The Utilities Allowance of \$518.80 p.a. (per annum), the GST supplement, the Telephone Allowance of \$138 p.a. and the Pharmaceutical Allowance of \$156 p.a. will be rolled into one payment, the Pension Supplement.

To this Pension Supplement, an amount equivalent to \$2.49 per week for singles and \$10.14 for couples will be added. This amounts to a payment of \$28.13 per week (\$1,462.76 p.a.) for singles and \$42.30 per week (\$2,199.60) for couples.

The Pension Supplement will be paid fortnightly from 20 September 2009. Measures to allow approximately half of this supplement to be paid quarterly will be introduced from 1 July 2010.

Those receiving the Widow Allowance will receive the new Pension Supplement.

Indexation

From 20 September 2009, along with the Consumer Price Index (CPI), a new Pensioner and Beneficiary Living Cost Index will be used to ensure that the Age Pension keeps pace with the actual cost of living. To ensure that pensions keep pace with community living standards, the base rate of pensions will continue to be indexed against the Male Total Average Weekly Earnings.

Pension income test

The amount by which payments are reduced will increase from 40 to 50 cents for each dollar of private income above the "free area" for new part-rate pensioners from 20 September 2009. The current "free area" limits per fortnight are \$138 for singles and \$240 for couples.

This reduces the annual allowable income for a new pensioner from \$47,444 to \$38,693 for singles and from \$72,423 to \$59,228 for couples.

Existing part-rate pensioners will be treated under a transitional arrangement which will ensure they are no worse off.

Work Bonus

The Pension Bonus Scheme will be closed to new entrants from 20 September 2009. The scheme is being replaced by the Work Bonus which will see only half of the first \$500 above the "free area" being accounted for in the income test. A maximum bonus of \$125 per fortnight will be paid under the scheme.

Self-funded retirees' snapshot

Commonwealth Seniors Health Card (CSHC)

Proposed changes that would have seen tax-free superannuation pension income included in the income test for a CSHC will now not be implemented. Income that is salary sacrificed (including the 9% Super Guarantee) will be included in the income assessment from 1 July 2009.



A Seniors Supplement has been introduced. This combines the Concession and Telephone Allowance which will be paid quarterly. Single CSHC holders will receive an additional supplement of \$129 p.a. The total Seniors Supplement will now be paid at a rate of \$790.40 p.a. for singles and \$1190.80 p.a. for couples.

Workers snapshot

Salary sacrificing

The permissible amount for salary sacrifice to superannuation at the 15% tax rate will decrease from \$50,000 to \$25,000 for those under 50 years old. For those 50-plus, the amount will be capped at \$50,000. These changes will take effect in the 2009-10 tax year.

The non-concession super contribution cap will remain unchanged at \$150,000 p.a.

Government co-contribution

Currently, the Government will match each dollar voluntarily paid into superannuation after tax. For the next three financial years, the co-contribution rate will be reduced from 150% to 100%, reducing the maximum co-contribution from \$1,500 to \$1,000.

