

Want a bigger pension?

HOW TO INCREASE YOUR BENEFITS AND GET WHAT YOU'RE ENTITLED TO

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More than 4.7 million Australians are being handed a welcome increase in their pension and allowance payments from this week, but some do not receive everything they are entitled to.

The 3.7 per cent rise, part of the government's twice-yearly indexation of pensions, lifts the full fortnightly age pension payment to \$1064 for singles and \$1604 for couples combined.

Australia's pension age is 67 – or lower if you were born before 1957 – and there are 1.8 million people on a full pension, with another 782,000 receiving a part pension because Centrelink's asset test or income test reduces their payments.

Seniors can access a wide range of extra benefits and discounts if they qualify for just \$1 of age pension.

Later Life Advice founder Brendan Ryan says "pension concessional entitlements are worth thousands of dollars" so it can be worthwhile qualifying for them if you are near the thresholds.

He suggests checking with your state government, local council and utilities to understand the range of benefits and discounts that come on top of the age pension.

"Get a clear picture of what you are entitled to," he says.

"Some people are put off (from) applying because it's complex."

There are several ways to get a bigger pension, including financial products, gifting, funeral bonds, renovations or simply spending more money.

Ryan says some people indulged in "revenge travel spending" after the pandemic, taking expensive holidays that also reduced their assets assessable by Centrelink.

CONTROL SPENDING

Financial strategist Theo Marinis says spending unnecessarily to lower your assets to get some extra pension is "cutting off your nose to spite your face".

"Don't do anything just to get



CENTRELINK ASSETS TEST THRESHOLDS

To get a full pension, your assets must be below these thresholds:

HOMEOWNER	NON-HOMEOWNER
Single: \$280,000-\$504,500	Couple combined: \$419,000-\$643,500
For a part pension, your assets must be below these thresholds:	
Single: \$634,750-\$859,250	Couple combined: \$954,000-\$1,178,500

Source: servicesaustralia.gov.au

extra Centrelink," he says. "You are better off getting a little less from Centrelink and have more investment assets and income."

Marinis says people whose assets are just above Centrelink thresholds can consider giving money to their children as an early inheritance. Gifts are limited to \$10,000 in a financial year and \$30,000 over five financial years.

Funeral bonds can be "a good idea", Marinis says. They are money set aside to cover your funeral costs, and are offered by life insurance companies and friendly societies.

Up to \$14,000 invested in a funeral bond is Centrelink exempt, but locked away until you die.

"Your estate will get that money, whatever it has grown to," Marinis says.

He says some annuities and income streams are partially exempt from Centrelink testing, following changes in recent years.

"Most life insurance companies have them," he says.

CENTRELINK CHECK

Also check that your financial records with Centrelink are accurate,



Moneysmart.gov.au says people reaching pension age may also be eligible for government benefits such as tax offsets, health care benefits and other concessions.

"For questions about government benefits, call Centrelink's older Australians line on 132 300," it says.

"Ask to speak to a Financial Information Service (FIS) officer for free." The help line is open from 8am to 5pm Monday to Friday.

HEALTH CARD BOOST

Ryan says some people who do not qualify for any age pension because of their assets can still get Commonwealth Seniors Health Card, delivering cheap medicines.

"Last year there was an increase, with 50,000 more people now eligible for the CHSC," he says.

The card is income tested only, and in November 2022 the income thresholds jumped from \$57,761 to \$90,000 for singles, and from \$92,416 to \$144,000 for couples.

especially if you have used up some assets in recent years.

"Make sure what they are assessing now is where you are at," Marinis says. "Sometimes, when they change systems, they double up, so make sure it's correct."

Renovating your home can deliver a double-benefit – a nicer lifestyle and a bigger pension.

"Any improvements to your home are Centrelink exempt and capital gains tax exempt," Marinis says.

"Then down the track you can downsize and put the money back into super," he says.

The 2-minute rule that will stop you procrastinating for good

LIFESTYLE

Procrastination is something we're all guilty of, but what if you could find an easy hack to stop putting off those all-important tasks for good? Life-changing, right?

The author of the New York Times' best-selling book, Atomic Habits, James Clear, says habits can be completed in a few seconds but continue to affect your behaviour for minutes or hours afterwards. So they greatly influence us, what we achieve and what we don't achieve – daily, weekly, monthly, even yearly.



"Habits are the building blocks of remarkable results," Clear says. Scientific wisdom tells us that any habit can be scaled down into a two-minute version.

For example, if we want to start the habit of reading before bed, we can achieve this by simply reading one page and building from there. Or with fitness strength training,

you can start with 2kg weights and gradually increase up to 5kg and so on.

"The idea is to make your habits as easy as possible to start. Anyone can meditate for one minute or read one page of a book," Clear says.

It's based on the psychological premise that once you've taken the first step, however small it may be, it's much easier to continue.

He emphasises that a new habit should not feel like a challenge. The



following actions can be challenging, but the first two minutes should always be easy. Also, the time it takes to form a habit varies widely from person to person. On average, it takes over two months before a new behaviour becomes automatic.

SHOWING UP

Zena Daher, a pharmacist and health and lifestyle adviser at Blooms the Chemist, assists in helping many of her customers

break unwanted habits such as smoking, drinking or overeating. She says the most successful individuals are those who don't make it overly difficult.

"They don't put unnecessary pressure on themselves to achieve a massive weight reduction in a short time period or set an unrealistic timeline to quit smoking for good. I often talk to them about the value in doing one small thing each day towards their goal. It could be a walk around the block for 15 minutes as a starting point, rather than an intense gym session."

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