

Pension rise for millions, but many don't get everything they should



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This week's pensions payday will deliver many senior Australians almost \$20 extra per fortnight, and some of them have a chance to turn it into even more money.

While the 1.78 per cent rise from March 20, part of Centrelink's twice-yearly indexation, is below the big 3 per cent-plus rises pensioners saw during inflation's peak, retirement income specialists say higher living costs make it more important than ever to maximise pensions and other entitlements.

The total age pension will increase by \$19.60 per fortnight to \$1116.30 for a single person and by \$14.70 per fortnight to \$841.40 for each member of a couple.

Other payments will also rise, including JobSeeker by \$13.50 to \$772.70 per fortnight, and a variety of rent assistance increases depending on family situations.

Seniors are being urged to seek every spare dollar they are entitled to, particularly in times like these where household expense pressures are everywhere.

Financial strategist Theo Marinis said a large majority of retirees were receiving at least a part age pension, and many part-pensioners could potentially get more in the form of extra income and government bonuses and benefits.

"They are missing out on taking some steps to improve their situation," he said.

"There are many things you can do to improve your Centrelink."

For example, prepaid funeral bonds of up to \$15,000 don't count towards the pension asset test, while giving money away to children and grandchildren also removes it from Centrelink testing. However, the gifting limit for singles and couples is \$10,000 in one year and \$30,000 over five financial years.

<https://www.theaustralian.com.au/business/wealth/pension-rise-for-millions-but-many-dont-get-everything-they-should/news-story/b62da3eed3ffa0b5313b731e6d261621#:~:text=While%20the%201.78%20per%20cent,maximise%20pensions%20and%20other%20entitlements.>

Fortnightly payments from March 20



Payment	New rate	Increase
Adult pension single	\$1,116.30	\$19.60
Pension partnered (each)	\$841.40	\$14.70
JobSeeker single	\$762.70	\$13.50
JobSeeker partnered (each)	\$698.30	\$12.30
JobSeeker single with child	\$987.70	\$17.50
Parenting Payment max single	\$999.70	\$17.50
Rent Assistance maximum	\$188.20	\$3.40
Utilities Allowance	\$ 764.40 (annual)	\$13.60

Source: Department of Social Services

Mr Marinis said some seniors used annuities, also called lifetime income streams, in strategies to reduce assessable assets.

“The effective Centrelink yield on the asset test is about 7.8 per cent,” he said.

That meant every \$10,000 a part pensioner reduced their assets by could result in an extra \$780 of pension, he said.

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Later Life Advice founder Brendan Ryan said it was good for seniors that pensions rose in line with inflation and “eternal vigilance” was important amid higher living costs.

“That means looking at federal, state and local government discounts and entitlements,” he said.

“Make use of the services.”

Services Australia says a pensioner concession card can deliver cheaper medicine, bulk billed doctor visits, help with hearing services, a bigger refund under the Medicare Safety Net, and discounts to redirect mail.

State and local governments may also offer discounts on utility bills, property and water rates, transport fares and motor vehicle registrations, although this varies around the nation.



[Seniors are being urged to check their assets and pension entitlements. Picture: iStock](#)

“When the pension goes up there’s a few things that will happen,” Mr Ryan said.

“The upper limit of qualifying for a pension gets that little bit higher, and people who may not have qualified for the pension do now,” he said. This new asset limit is \$1.01m for a homeowner couple and \$674,000 for a single.

“Qualifying is not just a few bucks of extra money – as soon as you get that pensioner concession card you are in the box seat,” Mr Ryan said.

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He said to maximise pension eligibility and part pensions, people should use second-hand values when valuing their assets for Centrelink.

“Don’t go thinking your car is worth more than it is – that serves to give you less pension.”

Pension rises also delivered more money through the government’s home equity access scheme, Mr Ryan said.

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