

## New rules spark asset shuffling



NOT FAIR: Theo Marinis.

"Pensioners who require further information about the changes may wish to speak with one of Centrelink's Financial Information Service officers." This can be arranged by calling 132 300.

The Department of Human Services held more than 1100 financial information seminars for pensioners and says its online assets test estimator was used about 640,000 times in recent months.

However, financial strategist Theo Marinis has urged his clients to "maintain the rage".

"This is an incredible breach of trust, and in my view straight from the Government of Greece's playbook – hit those who won't fight back," he says of the Government's new rules.

"The politicians will argue that only 5 per cent of the population are affected by the changes – but these are the people who listened to Canberra's earliest messages about superannuation and started to put money away to help give themselves a better future. Now they are being penalised."

Wealth for Life Financial Planning principal Rex Whitford says the changes have affected pensioners' mindsets.

"The people who really need it are getting a bit more and the people who don't need it but think they are entitled to it are busy shuffling assets around," he says. "I think it's causing more people to try and hide more assets."

"Hiding" is not necessarily breaking the law. There are several allowed strategies that can be used by pensioners to reduce their assessable assets. These include:

- Gifting money to family or friends at \$10,000 a year or a maximum \$30,000 in a five-year period. Gifts above these amounts still count towards the Centrelink assets test.
- Buying funeral bonds or prepaid funerals. Any amount under \$12,500 per person is exempt from the asset test.
- Spending on home renovations, or improvements such as solar panels with battery storage, because your home is not counted in the assets test.
- Taking a planned holiday early, but be careful not to spend for the sake of spending if it reduces your ability to pay for your future lifestyle.

"Maybe you just need one more trip to New Zealand on a cruise ship. If that helps get you under the limit, knock yourself out," Mr Whitford says. And he thinks last month's changes are not the last we will see of tighter pension rules. "It's going to keep going on because we have half a trillion dollars of government debt." However, Goldsborough Financial Services director and financial planner Brenton

Miegel disagrees, saying he does not see any more pension changes happening in the short term.

"From a political perspective, the pension people have been smacked around enough," he says.

Financial Strategies (SA) Pty Ltd trading as Marinis Financial Group

T 08 8130 5130 | F 08 8331 9161 | A 67 Kensington Road, NORWOOD SA 5067

E [admin@marinigroup.com.au](mailto:admin@marinigroup.com.au) | W [marinigroup.com.au](http://marinigroup.com.au)

ABN 54 083 005 930 5067 | AFSL No: 326403

Reproduced with the permission of The Advertiser

Mr Miegel says strategies such as gifting, prepaid funerals and even bringing forward elective surgery might be ways for people to sneak under the new pension thresholds "but I never advocate spending for the sake of spending".

He says he would prefer people be wealthier and receive a smaller pension "rather than the other way around".

"If you are \$100,000 over (the assets test threshold) and you are giving up \$100,000 of capital and earnings potential just to get a dollar of pension, it doesn't make sense."