



The Age Pension Thresholds Have Changed Since 1 July 2023...

One of the most common questions from those entering or nearing retirement is, ‘How much money can I have before it affects my pension?’

Our answer is usually derived from the total value of your savings, other assets and any income that might be earned from other sources. However, from 1 July 2023, the thresholds determining how much pension you may be paid have changed due to inflation-related adjustments.

This means that many of those who may otherwise have been looking at a part-pensioner status due to being over the threshold may be able to be on a full pension with the adjusted thresholds (depending on their circumstances).

Similarly, those who may have been ineligible for a pension due to being over the cut-off point for the assets test should become eligible to start claiming a part pension (and all the concessions that go with it).

What Assets Will I Be Tested On?

The assets that you or your partner own that are included in your assets test include the following:

- **Real estate (excluding your family home)**
- **The market value of your household contents (such as fridges, appliances, etc).**
- **Superannuation balances if you and your partner have reached the Age Pension eligibility age, including the balance of your pension accounts that provide you with an income stream. If your partner is below the Age Pension eligibility age, their super balances will not be included in your assets test**
- **Other financial investments, like term deposits or any surrender value of life insurance policies**

- Retirement village contributions
- Business assets
- Motor vehicles
- Boats
- Caravans
- Jewellery
- Cryptocurrencies

The Age Pension assets limits are adjusted three times a year based on movements in the consumer price index (CPI). The thresholds for the full Age Pension change in July, while thresholds for the part-Age Pension change in March and September.

Assets Limit For A Full Age Pension

To be eligible for either a full or part-Age pension, there are limits on the value of the assets you (and your partner combined) can own.

The limits depend on whether you own your own home, as well as your living arrangements (including if you have a partner and whether they are age-eligible for the pension or not). The asset limits are higher for non-homeowners in recognition of the higher cost of housing for pensioners who rent their homes. You also need to pass the income test and age and residency requirements.

The asset-free thresholds for full-age pension are the same for couples living together and those separated by illness.

If the value of the assets is above the thresholds, you may still qualify for a part-Age Pension.

The Income Test

The new thresholds also increase the amount pensioners can earn before their pension starts to reduce under the income test. For a couple, the income test cut-off point rises from \$336 a fortnight to \$360 a fortnight – for singles, it increases from \$190 a fortnight to \$204 a fortnight.

If you reach the threshold limits in the assets and income tests, your pension will be based on the lower amount.

For example, if you are eligible for \$400 per fortnight according to the assets test and \$500 per fortnight under the income test, then the \$400 per fortnight test will apply.

Questions About The Pension

If you have questions about your retirement plan or pension eligibility, why not start a chat with a trusted advisor (like us) today?

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