



esentia.mediaportal

Licensed by Copyright Agency. You may only copy or communicate this work with a licence.

Pensioners to feel pinch

EXCLUSIVE SAMANTHA MAIDEN

NEARLY 700,000 pensioners will be left hanging until nearly Christmas before being notified if they will lose their pension or have it cut.

A new assets test, which strips cash from seniors with substantial investments, will come into effect on January 1, 2017.

About 698,000 seniors will be contacted soon to warn them they may be affected,

substantially more than expected when the changes were first announced.

But the official Centrelink letter confirming individual cases will not arrive until just weeks before Christmas, leaving seniors to rely on online calculators to estimate how they might be impacted.

The good news for Australia's 4 million pensioners is that 166,000 people will receive a modest increase.

But the biggest losers include 313,000 pensioners who face cuts, including 88,500 expected to have their pension cancelled completely.

If a pensioner loses their eligibility as a result of the

changes, the Department of Human Services will automatically issue them with a Low Income Health Care Card and if over 65 they will also get a Commonwealth Seniors Health Card.

Labor leader Bill Shorten said the decision to make seniors wait until Christmas to learn their fate was a shocking bungle which made Prime Minister Malcolm Turnbull

"look like the Christmas Grinch".

Mr Shorten said: "This is an unwelcome Christmas surprise for Australia's pensioners.

"This has been on the books for 18 months. Why are they only telling people now?"

"The Government should be doing more to explain these changes to pensioners. It's not good enough to just send off a couple of letters."

While the family home will remain exempt, the new rules will trim payments for single seniors with super, investment

property or cars worth more than \$250,000.

Human Services Minister Alan Tudge said the changes to the asset test should come as no surprise to pensioners who could estimate the impact using online tools.

"Of the almost 4 million people on pensions, about 480,000 will have a change to their rate on 1 January — some up and some down," he said.

"In coming weeks, letters will be sent from Centrelink to those who will likely be affected as well as to those just out-

side the threshold to keep them informed in case their assets change in the future.

"It will outline the new assets thresholds. In December, another letter will be sent to those impacted with specific details on how their payment will change."

The pension will be cut by \$3 a fortnight for every \$1000 of assets beyond the new thresholds. The asset-free area will be \$375,000 for homeowner couples; \$450,000 for single non-homeowners, and \$575,000 for non-homeowner couples.

Committee: *Community Affairs*

Tabled Document

Inquiry: *Supplementary Estimator*

Date: *20-10-16*

Witness: *Senator Watt*

Organisation: