



**The Hon Kevin Andrews MP
Minister for Social Services**

*Parliament House
CANBERRA ACT 2600*



*Telephone: (02) 6277 7560
Facsimile: (02) 6273 4122*

MC14-003467

9 APR 2014

Dr Dennis Jensen MP
Chair
Standing Committee on Petitions
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear ~~Dr Jensen~~

Thank you for your letter of 27 March 2014 to the Minister for Human Services, Senator the Hon Marise Payne, about a petition requesting an extension of the portability period for payment of Age and Disability Support Pensions overseas. Your letter was referred to me as this matter falls within my portfolio responsibilities.

I note the petition asks the Australian Government to extend the portability period of pensions from six weeks to three months. It is important to note that because Australia's social security system is residence-based and non-contributory, most social security payments are restricted to people who are Australian residents and in Australia.

The authors of and signatories to the petition may not be aware that the Australian Age Pension, once granted, is already portable indefinitely outside Australia. However, after 26 weeks' absence, the rate of Age Pension reflects the period the person lived in Australia during their working life (defined as between age 16 and Age Pension age). Currently, pensioners with at least 25 years of residence between the age of 16 and Age Pension age are paid the full basic means-tested rate. Those with less than 25 years are paid a proportional rate.

The period of Australian Working Life Residence required for payment of a full rate pension outside Australia will increase to 35 years from 1 July 2014, but those currently overseas will continue to receive their rate based on 25 years unless they return to Australia for more than 26 weeks.

Most working-age payments, including Disability Support Pension, can only be paid outside Australia for up to six weeks. Six weeks is considered enough time to enable people to deal with family crises or other personal matters that require them to be overseas. An exception to this rule exists for disability support pensioners with a severe and permanent disability and no future capacity to work, who can apply for indefinite portability of their pension.

For all pensioners with indefinite portability, the Pension Supplement reduces to the basic amount after an absence of six weeks. The reason for this is because the Pension Supplement is intended to assist all pension recipients to meet the costs of daily household and living expenses while they are in Australia.

These policies reflect the view that people of working age, including those who are disabled, should be encouraged to participate in Australian social and economic life to the extent they can, and that it is not appropriate for taxpayers to subsidise a prolonged overseas stay for a person of working age.

Thank you again for writing.

Yours sincerely

KEVIN ANDREWS MP