

Senate Community Affairs Legislation Committee

ADDITIONAL ESTIMATES - 27 FEBRUARY 2014 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Disability Support Pension – ‘suspension provisions’

Question reference number: HS 40

Senator: Siewert

Type of question: Written

Date set by the committee for the return of answer: 24 April 2014

Number of pages: 3

Question:

- a) For each of the last three financial years, indicate how many DSP recipients have accessed the two year ‘suspension’ provisions that are meant to provide an employment incentive?
- b) Please explain how individuals, stakeholders and Job Services Australia and Disability Employment Australia providers are informed of these participation incentives?
- c) Provide examples of written material or instructions used to inform about these provisions.

Answer:

- a) The following table provides a breakdown of Disability Support Pension recipients who have accessed the two-year ‘suspension’ provision for each of the last three financial years. The data provides a count of suspensions in a financial year due to return to work and earnings which is used as an indicator that a recipient has taken up the suspension provision. Note that new rules introduced on 1 July 2012 allow DSP recipients to work up to 30 hours rather than 15 hours and, subject to means testing, continue to receive the pension.

Financial year	Number
2010-11	9,685
2011-12	10,952
2012-13	6,477

- b) The Department of Human Services communicates with individuals and stakeholders including, for example, peak bodies and community groups. Communication of advice to Job Services Australia and Disability Employment Australia providers is a matter for the Departments of Employment and Social Services.

Where a person works more than their allowable hours for open work, or becomes no longer entitled to payment because their earnings put them over the income threshold, their Disability Support Pension will not be cancelled but will be suspended for two years. This 'suspension provision' has been in place for a number of years.

General information about the suspension provision is available on the department's website under "Disability Support Pension – Allowable working hours while receiving Disability Support Pension" and also in a number of publications including the *Are you ill, injured or do you have a disability?* brochure.

In July 2012, changes were introduced to increase the number of hours from 15 to 30 per week that a person receiving Disability Support Pension could work and, subject to the income test, continue to receive payment. The Department of Human Services included information on the 'suspension provision' in the communication products used to inform individuals and stakeholders of these changes. Products included media releases, social media campaigns, community presentations, customer and community newsletters and posters in Service Centres.

Information on the suspension provision is a standard inclusion in the advice provided when a claim for Disability Support Pension is granted. Customers who attend DSP Participation Interviews receive similar advice. Relevant Department of Human Services staff received training on allowable work hours and the suspension provision in the lead up to the July 2012 changes and internal reference material provides instruction on the application of the provisions.

- c) Examples of written material or instructions can be found in both internal reference material and external information products as follows:

Internal reference material

Reference 102.21100 – Suspension of Disability Support Pension (DSP) includes the following advice:

In general, payments should only be suspended if the period of ineligibility is only for a short time (such as correspondence returned requiring suspension pending contact from the customer). However DSP can be suspended for up to two years:

- When the customer has employment income, has notified within 14 days of commencement or increase in open employment of 30 hours per week or more, and where wages are at or above the relevant minimum wage, **or** less than 30 hours per week and income precludes payment
- For customers who are **under age pension age**, however Working Credits may enable the customer to keep some of their income support payment while they are working.
- For customers who are **over Age Pension age** and in receipt of a pension (excluding PPS), however they may be entitled to the Work Bonus. **Note:** The Work Bonus is not used in the customer's transitional rules calculation, however partners may still benefit by the reduction in total income.
- If customer notified **outside 14 days** and as long as the eligibility to DSP still exists, the customer's payment may remain current at nil rate for up to six fortnights.
- If the customer is returning to self-employment, has notified within 14 days and are working for **30 hours per week or more** and capable of working in open employment, where wages are at or above the relevant minimum wage, **or less than 30 hours** per week and income precludes payment.

If a customer's payment is suspended due to employment, and they remain working at a level that precludes DSP payment, the DSP is automatically cancelled after two years.

External Information Product

Brochure: *Are you ill, injured or do you have a disability?*

The *Are you ill, injured or do you have a disability?* brochure includes the following advice:

Allowable working hours

DSP customers can work up to 30 hours a week and receive a part pension, subject to the income test.

If you work 30 hours or more your payments will be stopped. However, if you reduce your work hours within two years, contact us and we can check if your payment can start again.

If your income reduces your payment to zero, you can still get some assistance. Although your payment may be suspended for up to two years, you will be able to keep your Pensioner Concession Card for up to 12 months.