

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2015-16 Budget Estimates Hearings

Outcome Number: 1.6 Income Support for Seniors Question No: SQ15-000668

Topic: Defined Benefit Scheme

Hansard page: CA105, 4 June 2015

Senator Moore, Claire asked:

Do you know what the average household income for recipients of a defined benefit pension scheme is and who would also receive a part pension?

Answer:

It is not possible to provide information about average household income. The social security income test determines the amount of assessable income for the purpose of calculating income support. Whilst we have administrative data about assessable income for individuals and couples, this cannot be directly equated to the concept of total household income.

Using available administrative data it is possible to estimate individual recipients' total income by combining the full value of their defined benefit income with their other assessable income (for social security purposes) plus their annualised rate of income support payments. As at 31 December 2014, the average amount for individuals with defined benefit income streams calculated in this manner was \$30,570.

Please note that the above analysis:

- includes both members of a couple where only one member has a defined benefit income stream;
- is for all income support recipients with a defined benefit income stream including those with a deductible amount less than 10 per cent; and
- is likely to underestimate total average income as exempt amounts under the income test – for example, Work Bonus concession, or deduction amounts for account-based income streams – reduces a person's assessable income. Additionally, recipients with financial investments may be earning income above the deeming rates.