



THE HON PAUL FLETCHER MP
Minister for Families and Social Services

MEDIA RELEASE

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Better deal for 90,000 Australians as Liberal National retirement income reforms pass Parliament

New laws to give more than 90,000 older Australians a better deal in retirement have passed the Parliament, Minister for Families and Social Services Paul Fletcher said today.

The Social Services and Other Legislation Amendment (Supporting Retirement Incomes) Bill 2018 will give older Australians more financial options in retirement.

Under the changes, the Pension Work Bonus – the amount that can be earned from work without affecting eligibility for the Age Pension – will rise from \$250 to \$300 a fortnight. More than 90,000 people receive an increase in their payments from July 1.

Australians of retirement age who chose to work will be able to keep more of their pension. Self-employed pensioners will also qualify for the Work Bonus for the first time.

Some 1,150 more people will become eligible for a social security pension for the first time.

The new laws also expand the Pension Loans Scheme, giving more people the option of borrowing against the value of their home to draw down fortnightly payments from Centrelink.

The expanded Pension Loans Scheme will give people a higher standard of living in retirement by receiving additional fortnightly payments in the form of a loan, conveniently paid into their accounts fortnightly by Centrelink.

Mr Fletcher said the combination of a pension payment and a loan payment can be up to 150 per cent of the full pension, or \$1,374.45 a fortnight for a single person of pension age.

“Importantly, any eligible Australian of pension age who owns a home can participate in the Pension Loans Scheme regardless of whether they would otherwise be eligible for a full pension, part pension or no pension,” Mr Fletcher said.

“The Liberal National Government is helping retirees while Labor is hitting them with new taxes,” Mr Fletcher said.

“Under Labor’s retiree tax, retirees stand to lose thousands of dollars from their nest egg. Around 900,000 Australians, 200,000 self-managed super funds and 2,000 super funds will be hit.

“On average, individuals will lose \$2,200 a year and self-managed super funds will lose \$12,000 a year. For many, the losses will be much higher.

“By contrast, our Liberal National Government is able to deliver more support to retirees, thanks to our strong economy and prudent management of the Budget.”

Mr Fletcher said the new legislation has also changed the means test to assess newer financial products, including pooled lifetime retirement income streams.

“The new rules will make sure that these products are fairly and consistently assessed,” Mr Fletcher said.

“These changes will support the development of new types of financial products in the superannuation system, improving choice and flexibility for retirees.”

The changes that passed the Parliament today were announced in the May 2018 Budget.

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