



THE HON PAUL FLETCHER MP
Minister for Families and Social Services

MEDIA RELEASE

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Better deal for retirees as legislation introduced to Parliament

The Liberal-National Government will introduce legislation into the Parliament this week to give more than 90,000 older Australians a better deal in retirement.

The *Social Services and Other Legislation Amendment (Supporting Retirement Incomes) Bill 2018* will give retirees more options and a better deal by:

- increasing and extending the Pension Work Bonus
- expanding the Pension Loans Scheme
- establishing fairer means testing rules for newer financial products.

“This Government remains committed to older Australians, with these improvements building on recent decisions such as leaving the pension age at 67 and retaining the Energy Supplement,” said Minister for Families and Social Services, Paul Fletcher.

“Changes to the Pension Work Bonus will result in more than 90,000 people receiving an increase in their payments and 1,150 people becoming eligible for a social security pension.

“The increased Pension Work Bonus will mean that pensioners who work will be able to keep more of their pension. The self-employed will be eligible for the Pension Work Bonus for the first time.

“By expanding the Pension Loans Scheme pensioners will be able to enjoy a higher standard of living in retirement by receiving additional fortnightly payments in the form of a loan.

“The expanded Pension Loan Scheme offers pensioners a higher living standard because you can borrow against your home and receive a fortnightly payment through 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, these changes mean that 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.

“For the many senior Australians who own a home but would like a higher income to live on in retirement, this scheme offers a way to draw on the value of their home to fund that

higher income, conveniently delivered through Centrelink rather than needing to enter into a reverse mortgage through a bank.”

Mr Fletcher said the legislation will also introduce changes to 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 encourage the development of new types of financial products in the superannuation system, improving choice and flexibility for retirees.”

The changes were announced in Budget 2018-19 as a suite of measures to support Australians to prepare to live a healthy, independent, connected and safe life.

Subject to the passage of legislation, they would take effect on 1 July 2019.

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