



Budget 2015-16: Social Security Income Test – improve integrity of social security income test arrangements

Information update: Legislation for this Budget measure was passed and received Royal Assent on 30 June 2015.

Description of the measure

The gross payment from a defined benefit income stream^[1], less any deductible amount, is currently assessed as income under the social security income test.

From 1 January 2016, the income test deductible amount for defined benefit income streams will be capped at a maximum of 10% of gross payments.

Veterans' Affairs pensioners will not be affected and military defined benefit income streams will be exempt from the measure.

Questions and answers

Who will be affected by this measure

Customers on an income support payment, or who hold a Low Income Health Care Card, may be affected if they have defined benefit income streams.

The assessment of income for aged care fee purposes will also be affected.

Who is eligible for this measure

Customers who have a defined benefit income stream^[1] with a deductible amount currently more than 10%.

The 10% cap will be applied automatically and customers do not need to take any action.

The date this measure will start and finish

This measure will start on 1 January 2016 and is ongoing.

Link references

1. <http://www.humanservices.gov.au/customer/enablers/assets/income-streams>

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