



## Changes to Centrelink / DVA

What is an annuity? An annuity is a way of receiving a regular guaranteed income after you have retired from work. Only the income component (if any) of an annuity purchased with non-super money is taxable. You don't pay tax on investment earnings. Income payments can be set to increase annually at the time the annuity is purchased.

From ASIC's MoneySmart Feb 4, 2019.

Legislation for the new Social Security Means Test Rules of Lifetime Income Streams/Annuities has now been passed. The new income and assets test assessments for lifetime income streams will commence from 1 July 2019. Grandfathering provisions will apply to lifetime income streams that commence prior to this date. The new rules will not apply to fixed term annuities and income streams, account-based pensions, defined benefit income streams or asset-test exempt income streams (for example term allocated pensions). Broadly, the income and assets test assessment of new lifetime income streams is as follows:

### **Income test**

The new rules will assess 60% of payments from lifetime income streams under the income test.

### **Assets test**

For new lifetime income streams that meet the regulations, 60% of its purchase amount will be assessed as an asset, until the life expectancy of a 65-year old person with a minimum of 5 years. After this, the assessment reduces to 30% of the purchase amount.

### **Opportunities for you**

The current Centrelink treatment of lifetime annuities can provide a more favourable result for some people. There are now only a few months to take advantage of the current rules.

Please contact us for an appointment if you would like discuss whether a pre or post 1 July 2019 annuity might provide you with a guaranteed income stream and the best outcome with increased Centrelink entitlements.

### **Pension Work Bonus**

From 1 July 2019, the Pension Work Bonus will increase from \$250 to \$300 per fortnight with the maximum unused amount that can be accrued increasing to \$7,800 (up from \$6,500).

In addition, the Pension Work Bonus will be extended to those who are self-employed. However, a 'personal exertion' test will be introduced to ensure the Pension Work Bonus is only available to those who are engaged in gainful work and not to those receiving passive income such as income from real estate.

### **Pension Loan Scheme (PLS)**

From 1 July 2019, eligibility for the PLS will be expanded to include all Australians of pension age even if they are currently receiving the maximum rate of pension. Also, the loan amount that an individual can receive will be increased to 150 per cent (from 100%) of the maximum pension rate. This will apply to both new and existing participants in the PLS.

If you have any questions regarding your Centrelink entitlements please call us on 03 5851 2000.

# What's happening around the WSP office:



**Congratulations Trevor:** Trevor was recently honoured to receive an award at the Kyabram & District Australia Day Ceremony. Trevor won the “2019 Sportsperson of the Year” award for the significant contribution he makes within his various sporting interests. Trevor is on several committees, locally with squash, and on both state and international croquet committees.

**Well done Peter:** Peter Ryan has once again captained his cricket team the Kyabram Redbacks to another finals campaign. Unfortunately the team bowed out in the semi finals.

**Introducing Courtney Baumann:** We welcome Courtney Baumann as the newest member of the Wealth Solution Partners team. Courtney is a Kyabram local with over 10 years experience in the financial services industry. Courtney will take on the role as Para Planner while Rachel McCormack is away on maternity leave. We wish all the very best to Rachel and her family and look forward to meeting the newest addition to the McCormack family, very exciting!



**Reduce-Reuse-Recycle:** Landfills have no role in a sustainable society and Australia currently puts 40% of its waste into landfill. We can all contribute to minimising waste that ends up in our landfill. It may surprise you to know how long it takes for some items to decompose.

## Waste Products and Decomposition Times

Banana skin	3-4 weeks
Paper Bag	1 month
Cardboard	2 months
Apple Core	1-2 months
Aluminium Cans	> 1 million years
Orange Peel	Up to 2 years
Cigarette Butts	Up to 12 years
Plastic Bags	*Up to 20 years
Plastic Bottles	*450 years
Glass	1-2 million years

**\* Petrochemical products never truly breakdown and remain in the environment forever.**



Give a man a fish and you will feed him for the day.  
Teach a man to fish and he's going to spend a fortune  
on gear he'll only be using twice a year.

My old aunts used to tease me at family weddings.  
“Well love, do you think you'll be next?”  
I put a stop to their asking me any more as soon  
as I started doing the same to them at funerals.