



Super savings and the government age pension

Despite our increased reliance on superannuation to fund our retirement, the government expects more than 67% of Australians will still qualify for at least a part government age pension for many decades to come².

Rather than expecting to get by on the government age pension only or pay your own way with your super savings, the more likely scenario for most Australians is funding retirement with a combination of both.

This card provides access to discounts on items such as prescription medicines, public transport, utility bills and motor vehicle registration. These concessions can be different in different states.

How much super can I save and still get the age pension?

If you own your own home and are of age pension qualifying age, a couple can save up to \$387,500 in super and other assets and receive the full age pension under the Centrelink assets test. If you have up to \$844,000 in super and other assets*, you may qualify for a part pension from Centrelink. There is also a Centrelink income test which can affect your eligibility and level of payments received (see over page).

* This rate is for a couple who own their own home. For more information, see over the page.

The extra income from your super savings could make a big difference to your retirement lifestyle	
Circumstances	Payment per fortnight
A couple receiving the full age pension with no superannuation	\$1,368.20 ¹
A couple receiving full age pension with \$200,000 invested in an account based pension and \$50,000 of non financial assets	Age pension: \$1,368.20 ¹ + Account based pension: \$384.62 = Total: \$1,752.82 The actual amount depends on your personal circumstances.

Table assumptions. The couple has no other income and withdraw the minimum account based pension amount for people aged 65 to 74 years of 5%. The account based pension payments will vary each year, depending on withdrawal amounts and investment returns and are an indication only.
¹ Includes pension and energy supplements.

Even a part age pension can significantly improve your retirement lifestyle

If you only qualify for a part pension, this can still make a difference to your retirement lifestyle. This is because if you get at least the minimum age pension, you automatically qualify for a pension concession card.

The age pension alone isn't enough

Living solely on the age pension isn't easy. As at 1 July 2018, the full age pension was only \$1,368.20¹ per fortnight for couples. This is only payable if both are eligible. For singles, it was only \$907.60 (inclusive of supplements).

Considering that the ASFA Retirement Standard³ shows a couple aged around 65 need about \$1,500 a fortnight for a 'modest' lifestyle, it makes sense to build up your super to supplement the age pension. The additional money you'll receive from your super savings will mean a more comfortable retirement lifestyle.



The best thing about [Mine Super] is that it's run for members.

Barry Wark – retired Mine Pension member.

² 2015 Intergenerational Report - Australia in 2055
³ ASFA Retirement Standard, Detailed budget breakdowns, March quarter 2018

Do you qualify for an age pension?

Most Australians qualify for at least a part government age pension. In addition to being a permanent Australian resident, you need to be of pension age and pass a means test.

Your age

The age you can start receiving the age pension depends on the year you were born. For example, if you're born after 1 January 1957, you'll be eligible for the age pension at age 67. For more information, go to humanservices.gov.au or call us on 13 64 63.

Means test

To qualify for the age pension you must pass an income test and an assets test. The test resulting in the lower amount applies. The amounts below are current as at 1 July 2018.

Income test⁴

Income threshold off for government age pension (per fortnight)		
	For full pension	For part pension
Single	up to \$172	less than \$1,987.20
Couple combined	up to \$304	less than \$3,040.40
Illness separated, couple combined	up to \$304	less than \$3,934.40

Income includes any salary, net rental income and deemed income from your investments, including super savings and most account based pensions. Deeming means your investments are 'deemed' to earn a certain income, regardless of actual income earned.

Assets test⁵

Asset threshold for government age pension (per fortnight)		
Home owner		
	For full pension	For part pension
Single	up to \$258,500	up to \$561,250
Couple	up to \$387,500	up to \$844,000
Non home owner		
	For full pension	For part pension
Single	up to \$465,500	up to \$768,250
Couple	up to \$594,000	up to \$1,051,000

Assets include:

- + cash
- + investment properties
- + loans to family
- + cars, boats and caravans
- + private companies
- + trusts
- + super or account based pensions. Doesn't include a spouse's super if they're under age pension age.

This isn't a full list. Go to humanservices.gov.au for more information.

Is your spouse under government age pension age?

The following strategy can be used to reduce income and assets and help qualify for the age pension or increase part pension payments.

Super isn't counted in the means test for people under pension age. This means that if a person has a spouse under pension age, they can reduce their income and assets by withdrawing some of their super and contributing it into their spouse's super account.

Keep in mind that the balance of an account based pension is included in the assets test regardless of your age.

As implementing this strategy can be complex, we recommend you contact your financial adviser before acting.

What to do next

Mine Super Financial Advice can provide you with advice about how to manage your retirement savings.

For more information call 13 64 63, Monday to Friday, 8am to 6pm.



How much will you have?

You can work out how much age pension and account based pension you may have in retirement using the government's MoneySmart Retirement Planner calculator at moneysmart.gov.au/tools-and-resources/calculators-and-apps/retirement-planner

⁴ There is no income test on the basic rate for age pensioners who are permanently blind. Pensioners who were receiving payments at 19 September 2009 may be paid differently under 'transitional arrangements.' For more information, contact Centrelink or visit centrelink.gov.au.

⁵ Hardship provisions may apply. There is no asset test on the basic rate for age pensioners who are permanently blind. For more information, contact Centrelink or visit centrelink.gov.au

Mine Super | t 13 64 63 | f 02 4962 3469 | e help@mine.com.au | mine.com.au

This is general advice only and does not take into account your financial situation, needs or objectives. Before acting, consider if the information is right for your needs and circumstances and read the relevant Product Disclosure Statement (PDS). If there are any inconsistencies between this document and the PDS or Trust Deed the terms of the PDS or Trust Deed will prevail. This information is based on our understanding of current Australian laws and assumes they will remain unchanged. Issued by AUSCOAL Superannuation Pty Ltd ABN 70 003 566 989 AFS licence 246864 Trustee for the Mine Superannuation Fund ABN 16 457 520 308. Advice is provided by Mine Super Services Pty Ltd ABN 49 051 315 014 AFS licence 502700.