



## Thought of the Month

### Age Pension The First Pillar of the Australian Retirement Income System What am I entitled to?

At retirement, a person is faced with a number of decisions regarding their life going forward: do I have enough funds to retire; do I continue to work either full-time or part-time; do I down-size my property and if so what are my options; where do I want to live; and most importantly, am I entitled to an age pension and what concessions do I get?

In Australia, The number of people over the age of 65 is expected to grow to more than 3 million by 2020.

Of course not all of these people are full age-pensioners – a large portion are part age-pensioners who have assets or income above the current means tested thresholds which prohibits them from receiving the full pension. The current upper level of these thresholds is fairly generous. For example, a couple who own their own home could have income up to \$72,000 per annum or assets, excluding their home, of \$1.1 million and receive a part age pension.

If a person has or believes they have an entitlement to a part age-pension their first hurdle is the application form. Depending on the person's circumstances, this application can be a fairly arduous journey of close to 150 questions, covering everything from simple personal information through to a person's assets and investments. The next step in the journey is understanding what you are entitled to. The Social Security Act sets out the legislative base for the qualification and payment of the Age Pension. Eligibility is based on age, residence, income and assets. For most people, the age pension entitlement is not something they worry about until they are ready to retire and even then it can appear as a bureaucratic maze.

These are just some of questions you should ask yourself before entering the retirement phase of your life. To fully understand what you need to do, contact your adviser to talk about planning for your future.

If you have any queries relating to the above, please contact People's Choice on (08) 9489 2700 or by email on [corpsuper@peopleschoicecu.com.au](mailto:corpsuper@peopleschoicecu.com.au).

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