

## Fact Sheet - Social Security Concession Cards



This document provides some additional information to help you understand financial planning concepts in relation to **investment concepts**.

For more information, please contact the DPM Private Wealth team on (03) 9621 7000 or email [info@dpmfs.com.au](mailto:info@dpmfs.com.au).

The Government provides several concession cards which provide various discounts on such things as medical expenses, utility bills and public transport. In particular these cards are provided to people in retirement to help them reduce living expenses when having to rely on the Age Pension for income support.

These cards include the Health Care Card, Commonwealth Seniors Health Card and Pensioner Concession Card. These are outline below.

### Health Care Card

This card entitles recipients to concessional pharmaceuticals prescriptions and a limited number of extra concessions from state and local government authorities.

This card is issued to:

- People on low incomes (income assessed using usual Centrelink income test rules).
- Recipients of government assistance allowances excluding pension payments
- Children whose parents qualify for Carer Allowance

#### *Will you be able to receive it?*

Based on our calculations you have a total assessable income of \$23,062 under the low income test for the Health Care Card. Therefore you will have \$443.50 per week of income which is under the threshold of \$843 for a couple so you should be entitled to receive the Low Income Health Care Card.

This should be confirmed with Centrelink.

### Commonwealth Seniors Health Card

This card provides concessional rates on the pharmaceutical benefits as well as access to a Seniors Supplement. The amount of Seniors Supplement is \$842.40 a year for singles and \$1,268.80 a year for couples combined. Payments are made quarterly.

To qualify a person must:

- Be of pension age
- Not be receiving an Age or DVA Pension
- Be in Australia and be an Australian Resident
- Satisfy the Seniors Health Card income test:
  - \$50,000 for Singles
  - \$100,000 combined for couples separated by illness, &
  - \$80,000 for couples

#### *Will you be able to receive it?*

Ken you will be of Age Pension age when you turn 65½ which is during the 2018/2019 financial year. In our projections (see section 7.10) you will not be able to receive the Age Pension due to excess assets in the assets test for the first year once you reach Age Pension Age. Therefore you will be able to receive the Commonwealth Seniors Health Card for a year until you qualify for the Age Pension which we estimate to start a year later.

### Pensioner Concession Card

This card provides the most concessional benefits out of the three and this card is issued to people who are in receipt of:

- Age Pension
- Disability Support Pension
- Carer Payment
- And others.

The main benefits of this card include:

- Access to reduced cost pharmaceuticals under the Pharmaceuticals Benefits Scheme
- Concessions from the Australian Government including bulk billing and more refunds for medical expenses through the Medicare Safety Net.



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- Reductions on property, water and energy rates/bills.
- Reduced fares on public transport, and even free rail journeys
- Reduction on motor vehicle registration

#### ***Will you be able to receive it?***

You won't be able to receive this card as you initially won't be receiving the age pension. However once you are able to receive the Age Pension then you should apply for this card as soon as you can as it entitles you to reduced-cost medicines under the Pharmaceutical Benefits Scheme and various other concessions from the Australian Government.

In our projections (see section 7.10) we estimate Ken will receive the Age Pension in the 2019/2020 financial year and Lilo will start to receive the Age Pension in the 2026/2027 financial year.

#### ***Why this advice is appropriate for you***

It will save you on medical costs which can become a growing expense for people once they retire as well as minimising any expenses you have so that living on the Age Pension can be more affordable if required to do so.

***Before proceeding*** it is important to be aware of the following:

- I have provided to you the best of my knowledge benefits you can obtain from Centrelink in relation to concession cards. You should confirm all these with a Centrelink Help Centre and enquire about anything else you may be entitled to.

For further information on Social Security see our Fact Sheet – Social Security and Centrelink Benefits which can be found in the Appendices.

#### **Version 1.0 – Updated 01/01/2015**

This document contains general information about the benefits, costs and risks associated with certain product classes and strategies. It is designed for use in conjunction with a Statement of Advice that takes into account the circumstances and objectives of an individual.

Before making a commitment to purchase or sell a financial product, you should ensure that you have obtained an individual Statement of Advice. As legislation may change you should ensure you have the most recent version of this document.