

Social Security changes

What's happening when in 2000/2001

people from New Zealand

- ◆ Former New Zealanders arriving in Australia after 26 February 2001 are only eligible for Social Security income support payments, including Special Benefit, if they are Australian citizens or have held an Australian permanent resident visa for at least two years (see article page 13).

Start date: 26 February 2001

changes to abstudy income test

- ◆ Currently some ABSTUDY payments are treated as income for the purposes of the Social Security income test. This change will mean that these payment are no longer treated as income.

Date of commencement: 1 March 2001

termination of UK agreement

- ◆ The Social Security Agreement between Australia and the UK will be terminated from March 2001. People who are receiving payment under the Agreement will continue to be paid and people who migrate to Australia before 1 March 2001 will be treated under the rules that applied in the Agreement.

Effective from 1 March 2001

retirement assistance for farmers

- ◆ The Retirement Assistance Scheme for Farmers, which allows farmers with net farm assets up to \$500,000 to transfer their farm to family members of a younger generation without the disposition (gifting) rules applying, has been extended to 30 June 2001.

Implementation: from 15 September 2000 to 30 June 2001

child support

- ◆ 100% of any child support maintenance paid will be deducted from a person's income for the purposes of assessing Family Tax Benefit and Childcare Benefit.

Proposed date of commencement : 1 July 2001 (subject to passage of legislation)

concession cards

- ◆ Provisions relating to eligibility for concession cards and for pharmaceutical concessions to be simplified, and appeal rights to be enhanced.

Proposed date of commencement: 1 July 2001 (subject to passage of legislation)

compensation assessment

- ◆ Compensation payments made solely for non-economic loss to be subject to income testing. The ordinary income test is to be applied in respect of lump sums in excess of \$10,000, with the amount in excess of \$10,000 apportioned over twelve months (payments made under a statutory criminal injuries scheme, such as NSW Victims' Compensation, to be exempt).

Proposed date of commencement: subject to passage of legislation

child support related changes

- ◆ Proposed changes relating to child support include:
 - reducing the cap on the amount of income used to assess a person's child support liabilities to \$78,378;
 - allowing additional income earned from overtime or a second job to be excluded for child support assessment purposes, where this income is for the benefit of children in a person's current family rather than for the child for whom child support is paid.

Proposed date of commencement: subject to passage of legislation

social security debts

- ◆ It is proposed that:
 - any overpayment will constitute a recoverable debt, whatever the reason for the overpayment;
 - a new system of interest and administrative charges will replace the existing penalty interest regime.

Proposed date of commencement: subject to passage of legislation ▲
