

Disability Support Pension

Current as at 1 July 2015

The Disability Support Pension (DSP) is an income support payment for people with a physical, intellectual or psychiatric impairment who are unable to fully support themselves through paid work.

Benefits

- The DSP provides regular income to help you meet your day-to-day living expenses.
- Your assets may last longer because you will have less need to draw on personal investments because of your increased cash flow.
- You will be entitled to the Pensioner Concession Card which gives you access to various concessions (such as reduced cost medicines) to help reduce your expenses.

Qualification and entitlement

To qualify for the DSP, you must:

- be over age 16 but under Age Pension age at the date of claim lodgement
- be permanently blind, or have been assessed as having a physical, intellectual, or psychiatric impairment
- be unable to work, or to be retrained for work, for 15 hours or more per week within the next two years because of your impairment
- have actively participated in a Program of Support.

In addition, you must meet the residency rules and have income and assets below the upper thresholds.

A person who is permanently blind is automatically eligible for the disability support pension.

Residency rules

The residency rules require you to be an Australian resident and in Australia on the day that you lodge your claim for DSP. You must also have been an Australian resident for at least 10 years, with at least 5 of the 10 years continuous.

Social Security Agreements exist between Australia and certain countries which may help you qualify if you do not meet the 10 year residency test.

Further information on the residency rules can be obtained by contacting Centrelink or from the Centrelink website (www.humanservices.gov.au).

Income and assets tests

The amount of DSP received is based on two tests – an income test and an asset test. The test that produces the lowest amount of DSP entitlement is the one that applies.

If your income and assets are below the lower thresholds on both tests, you will be entitled to the full DSP. If your income or assets exceed the upper threshold on either test, then you will not be eligible for any DSP.

The lower thresholds are indexed on 1 July each year. The upper thresholds also increase in March and September in line with DSP rate increases.

Asset test thresholds	Homeowners		Non-homeowners	
	Lower	Upper	Lower	Upper
Single	\$205,500	\$779,000	\$348,500	\$928,000
Couple (combined)	\$291,500	\$1,156,500	\$433,000	\$1,305,500
Couple separated due to ill health	\$291,500	\$1,438,500	\$433,000	\$1,587,500

If your assets are between the lower and upper thresholds, your potential rate of pension reduces by \$1.50 per fortnight (single or couple combined) for each \$1,000 of assets over the lower threshold.

Income test thresholds	Lower threshold	Upper threshold
Single	Up to \$162.00	Less than \$1,882.40
Couple (combined)	Up to \$288.00	Less than \$2,881.60
Couple separated due to ill health	Up to \$288.00	Less than \$3,728.80

If your income is between the lower and upper thresholds, your potential rate of pension reduces by 50c (single or couple combined) for each dollar of income earned above the lower threshold.

DSP rates

The following table shows the maximum DSP currently payable.

Marital status	Pension rate* per fortnight
Single, aged 21 or over	\$860.20
Member of a couple, aged 21 or over	\$648.40 each

** Rates include Pension Supplement of up to \$63.90 (singles) and \$48.20 (each member of a couple) per fortnight and Energy Supplement of \$14.10 (singles) and \$10.60 (each member of a couple) per fortnight.*

The Pension Supplement is paid to help meet the costs of daily household and living expenses. It combines a GST supplement, utilities allowance, telephone allowance and pharmaceutical allowance. The Energy Supplement also helps with living costs.

You do not need to apply for the Pension or Energy Supplements. These payments are automatically made with your fortnightly Centrelink payment. You can request for the Supplements to be paid quarterly instead of fortnightly to help budget for quarterly expenses (such as utilities bills).

Other things you should know

- Your DSP entitlement may increase or decrease over time as your circumstances change.
- The Disability Support Pension is not taxable whilst you are under Age Pension age.
- If you are under age 21, or if you were in receipt of DSP prior to 1 July 2014, different rules may apply to what is outlined above. Please refer to Centrelink for further information.
- Once you attain Age Pension age, DSP recipients can choose to stay on the DSP or switch to the Age Pension.
- Pensioner Concession Card concessions are different in each state and territory and vary between councils.
- Centrelink customers are required to tell Centrelink within 14 days about any changes in their circumstances which may affect their payment.
- From 1 January 2017, the asset test taper rate will increase from \$1.50 to \$3.00 which will significantly lower the asset test upper thresholds. Customers who lose their pensions as a result will automatically be issued with a Health Care Card to retain access to pharmaceutical concessions.

General Advice Warning: The information provided in this document, including any tax information is general information only and does not constitute personal advice. It has been prepared without taking into account any of your individual objectives, financial situation or needs. Before acting on this information you should consider its appropriateness, having regard to your own objectives, financial situation and needs. You should read any relevant Product Disclosure Statements and seek personal advice from a qualified financial adviser.