

COMMONWEALTH SENIORS HEALTH CARD – HAVE YOU APPLIED YET?

Sometimes forgotten about, the Commonwealth Seniors Health Card (CSHC) is a helpful card for those who do not qualify for the Age Pension. The card offers numerous benefits to Australian residents and as the cost of living continues to take a toll on self-funded retirees, the CSHC has become even more invaluable.

Australian residents who qualify for the card receive access to prescriptions at a concessional rate via the Pharmaceutical Benefits Scheme, bulk billing at doctor appointments (depending on the doctor), and a larger refund for medical costs (concessional threshold applies via the Medicare Safety Net).

CSHC holders may also be entitled to other concessions such as electricity and gas bills, property and water rates, other health care costs, and public transport fares.

What has changed recently?

For avid readers of this monthly newsletter, you would be aware of the recent change to the CSHC. Effective from 4 November 2022, the income threshold for the Commonwealth Seniors Health Card has increased as follows:

- i. from \$61,284 to \$90,000 for singles
- ii. from \$98,054 to \$144,000 (combined) for couples

Who is eligible?

Any Australian resident currently living in Australia who has reached Age Pension age but does not qualify for age pension due to their assets or income, can apply for the card, provided they meet the income test.

This test considers the applicants annual adjusted taxable income (ATI) plus a deemed amount from any

account-based income streams. The income test is indexed on the 20th of September each year.

The current deeming rates for any account-based pension held are:

- i. Single - First \$56,400 at 0.25%, remainder at 2.25%
- ii. Couples - First \$93,600 at 0.25%, remainder at 2.25%

The actual pension drawdown is irrelevant for this calculation; only the pension balances deemed amount is assessable. The freezing of the income deeming rates for a further two years (until 30 June 2024) will assist more retirees with their eligibility.

Unlike the Age Pension or Disability Pension, the benefit does not adjust based on the applicant's income. If the eligibility criteria are met, and the applicant's income is below the income test threshold, the CSHC will be granted. Therefore, applicants who are still working, could receive the card.

Superannuation balances in accumulation phase are not assessed as no taxable income is produced and accumulation balances are not subject to deeming.

How long is the CSHC valid?

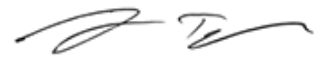
The CSHC is valid for 12 months and reissued on 1 August each year if eligibility criteria are met.

How do eligible people claim the CSHC?

Australian residents can confirm eligibility with Centrelink, and applications can be submitted online via MyGov. Bell Potter's Technical Financial Advice team is available to help and discuss this topic in more detail.

Get in touch

If you would like to discuss further, please contact your adviser who can put you in touch with a member of Bell Potter's Technical Financial Advice team.



Jeremy Tyzack

Head of Technical Financial Advice
Bell Potter Securities

Bell Potter's technical financial advice team can put together a strategy designed to help you achieve your retirement objectives.

Working with you and your Bell Potter Adviser, we can help with most financial aspects of retirement, including:

- Identifying your financial goals
- Structuring your existing assets appropriately
- Identifying your approach to investment and your appetite for risk, and
- Reviewing your current superannuation arrangements.

To create a tailored investment plan based on your needs and objectives call your adviser or 1300 0 BELLS (1300 0 23357).

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