

# Assets changes in selected groups of Age Pension recipients

## Introduction

This paper will look at the changes in the level of assets holdings, over five year periods, for four distinct groupings of Age Pension recipients. The first two groups will have their level of assets holdings compared at the time they commenced receiving Age Pension against the assets they held five years after commencement. The first group will have their level of assets holdings compared during a five year period when the assets test taper was a \$19.50 per year reduction in pension for every \$250 in excess assets or equivalently \$3.00 per fortnight reduction for every \$1,000 in excess assets. The second group will have their level of assets holdings compared during a five year period when the assets test taper was a \$9.75 per year reduction in pension for every \$250 in excess assets or equivalently \$1.50 per fortnight reduction for every \$1,000 in excess assets.

The last two groups will have their level of assets holdings compared at a time five years before their death against the level of their assets holdings at the time of their death, while in receipt of Age Pension on both dates. The third group will have their level of assets holdings compared during a five year period when the assets test taper was a \$19.50 per year reduction in pension for every \$250 in excess assets or equivalently \$3.00 per fortnight reduction for every \$1,000 in excess assets. The fourth and final group will have their level of assets holdings compared during a five year period when the assets test taper was a \$9.75 per year reduction in pension for every \$250 in excess assets or equivalently \$1.50 per fortnight reduction for every \$1,000 in excess assets.

In order to control for events that are likely to have large changes on assets holdings, for example, the sale of the principal home when moving into an aged care facility or the redistribution of assets to a surviving partner after a bereavement, each group is limited to those recipients who during the five year period under consideration, had neither a change in partner status nor a change in home ownership status.

In the Social Security law (see *Social Security Act 1991*, Section 1064-G2), the value of the assets of a member of a couple is taken to be their one-half share of the sum of the value of the person's assets and the value of the person's partner's assets. Throughout this paper, asset amounts for partnered recipients will similarly refer to this one-half share of the combined assets of the couple, rather than the value of one's own assets.

## Summary of findings

Regardless of whether we look at groups during periods when higher assets test tapers applied or whether we look at changes during the first five years or the last five years in receipt of Age Pension, there are always three distinct behaviours within each group: those with large accumulation of assets; those who have minor or no change at all in their holdings of assets; and those who have large dispersal of assets.

- In the group in the first five years of Age Pension receipt during the higher taper period, 29.2 per cent had an increase in assets of \$10,000 or more, 47.4 per cent had either a modest or no change in assets, and 23.4 per cent had a reduction of \$10,000 or more in assets.
- In the group in the first five years of Age Pension receipt during the lower taper period, 32.3 per cent had an increase in assets of \$10,000 or more, 38.4 per cent had either a modest or no change in assets, and 29.3 per cent had a reduction of \$10,000 or more in assets.
- In the group in the last five years of Age Pension receipt during the higher taper period, 19.7 per cent had an increase in assets of \$10,000 or more, 68.6 per cent had either a modest or no change in assets, and 11.7 per cent had a reduction of \$10,000 or more in assets.
- In the group of in the last five years of Age Pension receipt during the lower taper period, 24.8 per cent had an increase in assets of \$10,000 or more, 57.3 per cent had either a modest or no change in assets, and 17.9 per cent had a reduction of \$10,000 or more in assets.

In overall terms, the net change in the average assets holdings is remarkably similar across the four groups. For the groups studied during the first five years of Age Pension receipt the net change in assets was an average increase of \$5,066 and \$6,633 during the higher and lower assets taper periods respectively. For the groups studied during the last five years of Age Pension receipt the net change in assets was an average increase of \$5,314 and \$6,761 during the higher and lower assets taper periods respectively.

Some other observations that we can make across all of the four groups are:

- Home owners were more likely than persons who were not home owners to have both increases and decreases by amounts greater or equal to \$10,000 in their assets holdings.
- Persons with more assets holdings at the start of the five year period were more likely than persons with lower assets holdings at the start of the five year period to have both increases and decreases by amounts greater or equal to \$10,000 in their assets holdings.
- Persons who had either an assets or income reduced rate at the start of the five year period were much more likely to have a change of \$10,000 or more in their assets holdings (both increases and decreases) than persons who were receiving a maximum rate pension at the start of the period.

**Analysis 1: Change in assessed assets (nominal dollars) in the first five years of receiving Age Pension (higher assets taper period, pre-20 September 2007)**

Between 1 July 2001 and 30 June 2002, 117,833 persons started to receive Age Pension. Of this group, 101,175 individuals were also receiving Age Pension five years after their date of commencement. Persons need not have received the payment continuously, but rather simply needed to be in receipt of Age Pension on the fifth anniversary of their date of commencement in 2001-02. This section of the paper will investigate the changes that took place in the level of assets holdings within this group in the first five years after the person started to receive Age Pension. In order to control for changes in circumstances that are likely to have had substantial effects on the holdings of assets, the above group is further limited to those who had neither a change in whether they were partnered nor a change in their home ownership status in that same five year period. This limits the final group that we will study to 89,700 persons who commenced receiving Age Pension during 2001-02.

Table 1 shows some basic demographics of the group under study. Males made up 55.7 per cent of the group and commenced Age Pension at an average age of 66.2 years. Females commenced Age Pension at an average age of 64.5 years reflecting the younger pension age for women for those born on or before 31 December 1948. During 2001-02 women reached pension age at 62 years of age and they were only reaching pension age in six of the 12 months in the financial year, 1 January 2002 through 30 June 2002.

	Male		Female		Total	
	Recipients	Average age commenced	Recipients	Average age commenced	Recipients	Average age commenced
<b>Jul-01</b>	4,970	66.6	3,319	65.8	8,289	66.3
<b>Aug-01</b>	4,424	66.4	2,663	66.3	7,087	66.4
<b>Sep-01</b>	4,255	66.3	1,945	66.5	6,200	66.4
<b>Oct-01</b>	4,418	66.3	1,862	66.9	6,280	66.5
<b>Nov-01</b>	4,068	66.2	1,524	66.9	5,592	66.3
<b>Dec-01</b>	3,867	66.1	1,315	66.7	5,182	66.2
<b>Jan-02</b>	4,278	66.2	4,643	63.8	8,921	64.9
<b>Feb-02</b>	3,825	66.1	4,321	63.7	8,146	64.8
<b>Mar-02</b>	3,925	66.0	4,683	63.3	8,608	64.5
<b>Apr-02</b>	4,002	66.2	4,470	63.7	8,472	64.8
<b>May-02</b>	4,164	66.1	4,575	63.5	8,739	64.8
<b>Jun-02</b>	3,766	66.1	4,418	63.6	8,184	64.8
<b>Total</b>	49,962	66.2	39,738	64.5	89,700	65.4

Some 52,564 or 58.6 per cent of the group were receiving some type of pension on or before reaching pension age. For most of this group (90.6%), Age Pension was the pension received at pension age, however, a further 4,935 persons who commenced Age Pension during 2001-02 were receiving a pension other than Age Pension on the day that they reached pension age (see Table 2).

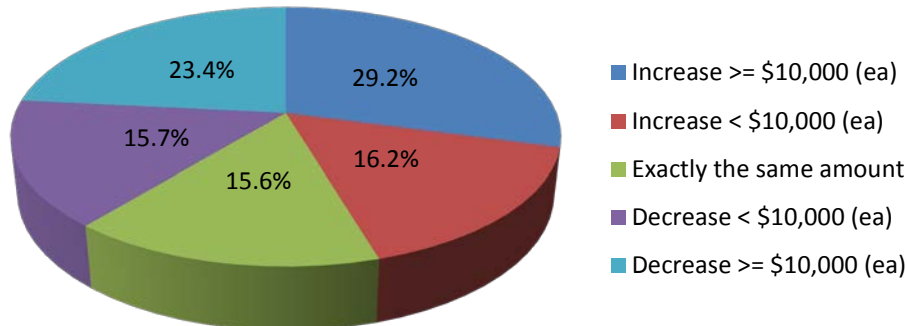
There were a further 37,136 persons who commenced Age Pension during 2001-02 who were not receiving any pension on the day that they had reached pension age. Of these

persons, 5,416 (14.6%) had commenced within three months of reaching pension age. Within a year of reaching pension age this proportion had accumulated to 28.3 per cent, within two years to 41.3 per cent and within three years had reached 50.0 per cent. This illustrates that while there is a large group of persons receiving pension at pension age, there is also another large group who steadily flows onto the Age Pension at various ages beyond pension age.

<b>Table 2. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: whether original date of grant (start date of the current period of continuous pensions entitlement) was on before pension age by period after pension age commenced Age Pension, recipients and average age commenced</b>						
	Original date of grant on or before pension age		Original date of grant after pension age		Total	
	Recipients	Average age commenced	Recipients	Average age commenced	Recipients	Average age commenced
<b>Commenced on pension day</b>	47,629	63.9	-	-	47,629	63.9
<b>Commenced within 3 months</b>	2,944	64.0	5,416	64.1	8,360	64.1
<b>Commenced within 6 months</b>	501	64.0	1,957	64.0	2,458	64.0
<b>Commenced within 9 months</b>	187	64.1	1,596	63.9	1,783	63.9
<b>Commenced within 1 year</b>	138	63.9	1,533	64.0	1,671	64.0
<b>Commenced within 2 years</b>	204	63.8	4,822	64.5	5,026	64.5
<b>Commenced within 3 years</b>	115	64.5	3,253	65.5	3,368	65.4
<b>Commenced within 4 years</b>	89	65.2	3,187	66.0	3,276	66.0
<b>Commenced within 5 years</b>	392	65.3	2,253	67.0	2,645	66.8
<b>Commenced within 10 years</b>	300	67.3	7,449	69.4	7,749	69.3
<b>Commenced later</b>	65	73.4	5,670	76.4	5,735	76.4
<b>Total</b>	52,564	64.0	37,136	67.5	89,700	65.4

In the group as a whole, 29.2 per cent increased their assessed assets by an amount greater or equal to \$10,000 in the five years after commencing Age Pension (see Chart 1 and Table 3). Some 47.4 per cent of the group had either a modest change in assets or no change in assets at all (their assets neither increased nor decreased by an amount that exceeded \$10,000). Finally, 23.4 per cent of the group had a decrease in assets over the five years that exceeded \$10,000. While there were both increases and decreases in the group, in overall net terms, the average assessed assets of the group increased by an average of \$5,066 in the five years after commencing Age Pension.

**Chart 1. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary**



Differences between males and females in the group were not large. Some 27.2 per cent of males had an increase in assets of \$10,000 or more, while 23.8 per cent had a decrease in assets of \$10,000 or more. In comparison, 31.7 per cent of females had an increase in assets of \$10,000 or more, while 22.8 per cent of females had a decrease in assets of \$10,000 or more. Overall, average assessed assets of males in the group increased by an average of \$3,498 and similarly females had a net overall average increase of \$7,037.

**Table 3. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by sex, recipients and average change in assets**

	Increase >= \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease >= \$10,000 (ea)	Total
Recipients						
<b>Males</b>	13,585	8,506	7,492	8,473	11,906	49,962
<b>Females</b>	12,613	6,026	6,461	5,568	9,070	39,738
<b>Persons</b>	26,198	14,532	13,953	14,041	20,976	89,700
Average change in assets (ea)						
<b>Males</b>	\$46,340	\$3,737	\$0	-\$3,942	-\$38,062	\$3,498
<b>Females</b>	\$52,570	\$3,910	\$0	-\$3,922	-\$42,465	\$7,037
<b>Persons</b>	\$49,339	\$3,809	\$0	-\$3,934	-\$39,966	\$5,066

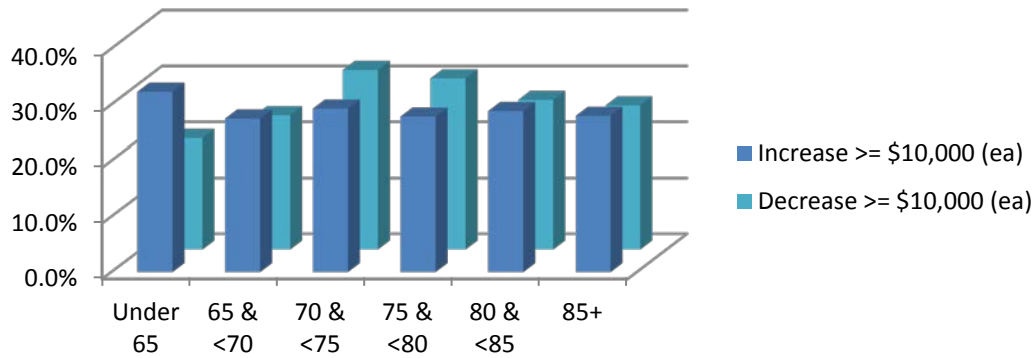
Persons who commenced receiving Age Pension under 65 years were more likely to have a large increase in assets than persons who commenced at older ages. Amongst those who were aged less than 65 years at commencement, 32.3 per cent increased their assets by an amount of \$10,000 or more. This proportion ranged between 27.5 and 29.3 per cent for those who commenced in older age groups (see Table 4 and Chart 2).

One-fifth of persons aged under 65 years at commencement had a large decrease in assets of \$10,000 or more in the five years after commencement. This proportion was 24.0 per cent for those aged 65 and less than 70 years at commencement and 32.1 per cent of those aged 70 and less than 75 years at commencement (see Table 4).

The overall average change in assets ranged between an average net increase of \$9,368 for persons aged under 65 years at commencement of Age Pension down to an average net decrease in assets of \$5,069 for persons aged 85 years or more at commencement (see Table 4).

<b>Table 4. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by age commenced Age Pension, recipients and average change in assets</b>						
	<b>Increase ≥ \$10,000 (ea)</b>	<b>Increase &lt; \$10,000 (ea)</b>	<b>Exactly the same amount</b>	<b>Decrease &lt; \$10,000 (ea)</b>	<b>Decrease ≥ \$10,000 (ea)</b>	<b>Total</b>
	Recipients					
<b>Under 65</b>	9,569	4,660	5,268	4,219	5,918	29,634
<b>65 &amp; &lt;70</b>	14,047	8,572	7,543	8,667	12,278	51,107
<b>70 &amp; &lt;75</b>	1,635	812	595	750	1,795	5,587
<b>75 &amp; &lt;80</b>	624	299	354	278	686	2,241
<b>80 &amp; &lt;85</b>	222	122	135	85	206	770
<b>85+</b>	101	67	58	42	93	361
<b>Persons</b>	26,198	14,532	13,953	14,041	20,976	89,700
	Average change in assets (ea)					
<b>Under 65</b>	\$52,485	\$3,870	\$0	-\$3,928	-\$38,204	\$9,368
<b>65 &amp; &lt;70</b>	\$46,613	\$3,781	\$0	-\$3,943	-\$38,119	\$3,620
<b>70 &amp; &lt;75</b>	\$52,099	\$3,892	\$0	-\$3,923	-\$48,470	-\$287
<b>75 &amp; &lt;80</b>	\$52,877	\$3,738	\$0	-\$3,880	-\$52,767	-\$1,412
<b>80 &amp; &lt;85</b>	\$52,570	\$3,226	\$0	-\$3,422	-\$64,981	-\$2,095
<b>85+</b>	\$56,941	\$3,408	\$0	-\$4,400	-\$81,984	-\$5,069
<b>Persons</b>	\$49,339	\$3,809	\$0	-\$3,934	-\$39,966	\$5,066

**Chart 2. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by age**



Home owners were more likely to have a large increase in their assets than persons who were not home owners. Some 30.5 per cent of single home owners and 34.5 per cent of partnered home owners had an increase in their assets of \$10,000 or more. In comparison, only 12.5 per cent of singles who were not a home owner and 13.0 per cent of partnered persons who were not a home owner had an increase in their assets by an amount of \$10,000 or more (see Table 5 and Chart 3).

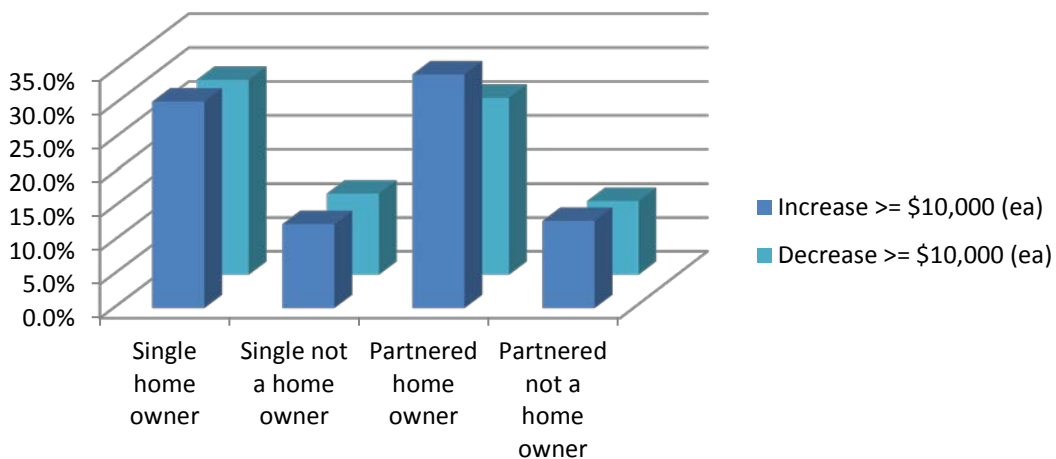
Home owners were also more likely to have a large decrease in their assets than persons who were not home owners. Some 28.7 per cent of single home owners and 26.1 per cent of partnered home owners had a decrease in their assets of \$10,000 or more. In comparison, only 12.0 per cent of singles who were not a home owner and 10.9 per cent of partnered persons who were not a home owner had a decrease in their assets by an amount of \$10,000 or more (see Table 5 and Chart 3).

In overall terms, in the five years after commencement of Age Pension, single home owners had a net overall increase in assets of an average \$3,222. For partnered persons who were home owners the net overall change was an average increase of \$6,780. For single persons who were not a home owner the net overall change was an average increase of \$1,078, while for partnered persons who were not a home owner, the net overall change was an average increase of \$1,606 (see Table 5).

**Table 5. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by partner status by home ownership status, recipients and average change in assets**

	Increase >= \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease >= \$10,000 (ea)	Total
Recipients						
Single home owner	4,190	1,672	2,281	1,666	3,950	13,759
Single not a home owner	1,407	1,789	5,343	1,398	1,357	11,294
Partnered home owner	19,589	8,910	4,182	9,335	14,817	56,833
Partnered not a home owner	1,012	2,161	2,147	1,642	852	7,814
<b>Persons</b>	<b>26,198</b>	<b>14,532</b>	<b>13,953</b>	<b>14,041</b>	<b>20,976</b>	<b>89,700</b>
Average change in assets (ea)						
Single home owner	\$57,481	\$4,089	\$0	-\$4,050	-\$49,771	\$3,222
Single not a home owner	\$56,325	\$2,784	\$0	-\$3,049	-\$49,956	\$1,078
Partnered home owner	\$47,623	\$4,242	\$0	-\$4,205	-\$36,857	\$6,780
Partnered not a home owner	\$39,143	\$2,652	\$0	-\$3,031	-\$32,651	\$1,606
<b>Persons</b>	<b>\$49,339</b>	<b>\$3,809</b>	<b>\$0</b>	<b>-\$3,934</b>	<b>-\$39,966</b>	<b>\$5,066</b>

**Chart 3. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by home ownership status**





Persons with larger amounts of assets at commencement were more likely to have changes of \$10,000 or more in the value of their assets (both increases and decreases) than persons with smaller amounts of assets (see Table 6).

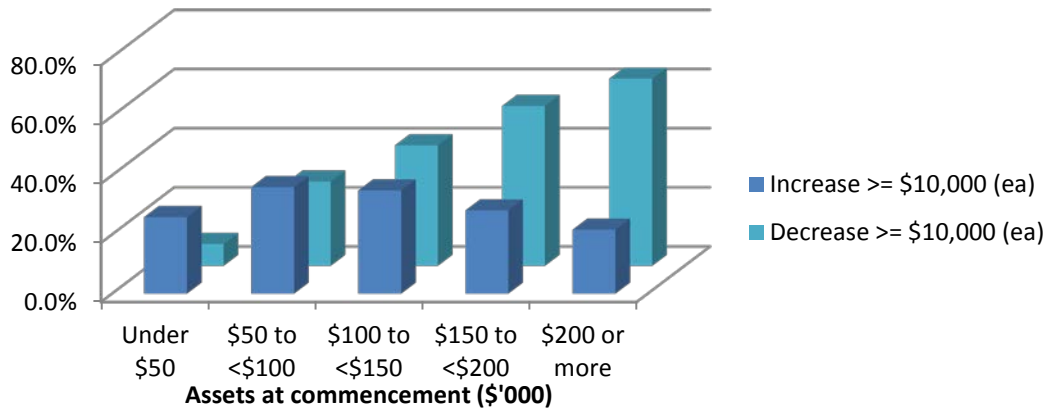
Just over one-quarter of persons with under \$50,000 in assets at commencement had an increase of \$10,000 or more in their level of assets. This proportion increased to 36.0 per cent in the group who had assets between \$50,000 and under \$100,000, 34.9 per cent in the group who had assets between \$100,000 and under \$150,000, 28.1 per cent in the group who had between \$150,000 and under \$200,000 and 21.6 per cent in the group who had \$200,000 or more (see Table 6 and Chart 4).

Similarly, persons with more assets at commencement were more likely to have had a reduction in their assets holdings than persons with lower initial levels of assets. Only 7.4 per cent of persons with under \$50,000 in assets at commencement had a decrease in their assets by \$10,000 or more. This proportion jumped to 28.5 per cent in the group with assets between \$50,000 and under \$100,000, 40.8 per cent in the group with \$100,000 and under \$150,000, 54.1 per cent in the group with initial assets of between \$150,000 and under \$200,000 and 63.3 per cent of persons with \$200,000 or more.

In the group with under \$50,000 in assets at commencement, the overall net change in the five years was an average increase of \$12,163. In the group with assets between \$50,000 and under \$100,000 the overall net change was an average increase of \$9,287, an overall net increase of \$733 in the group with assets between \$100,000 and \$150,000. In the group with assets between \$150,000 and \$200,000 the net overall change was an average decrease in assets of \$16,136 and for those with \$200,000 or more it was an average decrease of \$34,054 (see Table 6).

<b>Table 6. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by partner status by assets at commencement, recipients and average change in assets</b>						
	<b>Increase ≥ \$10,000 (ea)</b>	<b>Increase &lt; \$10,000 (ea)</b>	<b>Exactly the same amount</b>	<b>Decrease &lt; \$10,000 (ea)</b>	<b>Decrease ≥ \$10,000 (ea)</b>	<b>Total</b>
Recipients						
<b>Under \$50,000</b>	11,823	9,475	12,928	8,096	3,379	45,701
<b>\$50,000 to &lt;\$100,000</b>	7,467	2,997	890	3,462	5,914	20,730
<b>\$100,000 to &lt;\$150,000</b>	3,637	1,113	84	1,337	4,251	10,422
<b>\$150,000 to &lt;\$200,000</b>	2,134	594	24	731	4,100	7,583
<b>\$200,000 or more</b>	1,137	353	27	415	3,332	5,264
<b>Persons</b>	26,198	14,532	13,953	14,041	20,976	89,700
Average change in assets (ea)						
<b>Under \$50,000</b>	\$51,920	\$3,380	\$0	-\$3,312	-\$18,707	\$12,163
<b>\$50,000 to &lt;\$100,000</b>	\$49,648	\$4,520	\$0	-\$4,628	-\$29,716	\$9,287
<b>\$100,000 to &lt;\$150,000</b>	\$48,502	\$4,762	\$0	-\$5,060	-\$39,355	\$733
<b>\$150,000 to &lt;\$200,000</b>	\$41,410	\$4,640	\$0	-\$4,876	-\$51,200	-\$16,136
<b>\$200,000 or more</b>	\$38,036	\$4,875	\$0	-\$5,002	-\$66,673	-\$34,054
<b>Persons</b>	\$49,339	\$3,809	\$0	-\$3,934	-\$39,966	\$5,066

**Chart 4. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by assets at commencement**



In the total group of recipients, at commencement 45,941 (51.2%) recipients were receiving the maximum rate 28,633 (31.9%) recipients were receiving a part-rate income reduced payment and 15,126 (16.9%) recipients were receiving a part-rate assets reduced payment.

Of the 45,941 persons who were receiving the maximum rate at commencement, 81.8 per cent were also receiving maximum rate five years after commencement, 14.0 per cent switched to receiving a part-rate income reduced rate and 4.2 per cent switched to receiving a part-rate assets reduced rate. Nearly one-quarter of recipients who were receiving maximum rate at commencement had an increase in the value of their assets by \$10,000 or more, while 12.7 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were maximum rate recipients at commencement, the net overall change in the value of assets was an average increase of \$9,174. Those who remained at the maximum rate of payment over the five years had a net overall change in assets of an average increase of \$1,893, those who moved to a part-rate income reduced rate had an average increase of \$22,758, while those who moved to a part-rate assets reduced rate had an average increase of \$105,327 (see Table 7).

In comparison, of the 28,633 persons who were receiving a part-rate income reduced rate at commencement, 63.3 per cent were also receiving a part-rate income reduced rate five years after commencement, 26.1 per cent switched to receiving maximum rate and 10.5 per cent switched to receiving a part-rate assets reduced rate. Some 38.6 per cent of recipients who were receiving a part-rate income reduced rate at commencement had an increase in the value of their assets by \$10,000 or more, while 23.2 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were part-rate income reduced rate recipients at commencement, the net overall change in the value of assets was an average increase of \$11,667. Those who remained on a part-rate income reduced rate of payment over the five years had a net overall change in assets of an average increase of \$7,841, those who moved to a maximum rate had an average decrease of \$3,962, while

those who moved to a part-rate assets reduced rate had an average increase of \$73,466 (see Table 7).

Finally, of the 15,126 persons who were receiving a part-rate assets reduced rate at commencement, 60.1 per cent were also receiving a part-rate assets reduced rate five years after commencement, 13.1 per cent switched to receiving maximum rate and 26.8 per cent switched to receiving a part-rate income reduced rate. Just over one-quarter of recipients who were receiving a part-rate assets reduced rate at commencement had an increase in the value of their assets by \$10,000 or more, while 56.2 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were part-rate assets reduced rate recipients at commencement, the net overall change in the value of assets was an average decrease of \$19,911. Those who remained on a part-rate assets reduced rate of payment over the five years had a net overall change in assets of an average increase of \$1,990, those who moved to a maximum rate had an average decrease of \$65,459, while those who moved to a part-rate income reduced rate had an average decrease of \$46,683 (see Table 7).

**Table 7. Persons who commenced Age Pension during 2001-02 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by means test at commencement by means test five years after commencement, recipients and average change in assets**

		Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
<b>Means test applied at commencement</b>	<b>Means test applied five years after commencement</b>	Recipients					
<b>Maximum rate</b>	<b>Maximum rate</b>	6,305	7,578	12,031	6,668	4,980	37,562
	<b>Part rate income test</b>	3,109	1,093	468	924	851	6,445
	<b>Part rate assets test</b>	1,934	0	0	0	0	1,934
	<b>Total</b>	11,348	8,671	12,499	7,592	5,831	45,941
<b>Part rate income test</b>	<b>Maximum rate</b>	1,970	1,288	355	1,408	2,461	7,482
	<b>Part rate income test</b>	6,337	3,274	1,072	3,387	4,066	18,136
	<b>Part rate assets test</b>	2,736	84	0	82	113	3,015
	<b>Total</b>	11,043	4,646	1,427	4,877	6,640	28,633
<b>Part rate assets test</b>	<b>Maximum rate</b>	9	53	0	151	1,770	1,983
	<b>Part rate income test</b>	251	216	9	391	3,191	4,058
	<b>Part rate assets test</b>	3,547	946	18	1,030	3,544	9,085
	<b>Total</b>	3,807	1,215	27	1,572	8,505	15,126
<b>Total</b>	<b>Maximum rate</b>	8,284	8,919	12,386	8,227	9,211	47,027
	<b>Part rate income test</b>	9,697	4,583	1,549	4,702	8,108	28,639
	<b>Part rate assets test</b>	8,217	1,030	18	1,112	3,657	14,034
	<b>Total</b>	26,198	14,532	13,953	14,041	20,976	89,700
		Average change in assets (ea)					
<b>Maximum rate</b>	<b>Maximum rate</b>	\$31,818	\$3,284	\$0	-\$3,565	-\$26,229	\$1,893
	<b>Part rate income test</b>	\$53,792	\$4,211	\$0	-\$4,086	-\$25,139	\$22,758
	<b>Part rate assets test</b>	\$105,327	-	-	-	-	\$105,327
	<b>Total</b>	\$50,366	\$3,401	\$0	-\$3,628	-\$26,070	\$9,174
<b>Part rate income test</b>	<b>Maximum rate</b>	\$34,564	\$4,211	\$0	-\$4,148	-\$39,546	-\$3,962
	<b>Part rate income test</b>	\$43,698	\$4,358	\$0	-\$4,007	-\$33,301	\$7,841
	<b>Part rate assets test</b>	\$82,053	\$5,143	-	-\$4,141	-\$27,345	\$73,466
	<b>Total</b>	\$51,572	\$4,331	\$0	-\$4,050	-\$35,514	\$11,667
<b>Part rate assets test</b>	<b>Maximum rate</b>	\$12,289	\$4,237	-	-\$5,535	-\$73,053	-\$65,459
	<b>Part rate income test</b>	\$26,470	\$4,624	\$0	-\$5,443	-\$61,095	-\$46,683
	<b>Part rate assets test</b>	\$40,818	\$4,769	\$0	-\$4,836	-\$35,620	\$1,990
	<b>Total</b>	\$39,805	\$4,720	\$0	-\$5,054	-\$52,968	-\$19,911
<b>Total</b>	<b>Maximum rate</b>	\$32,450	\$3,424	\$0	-\$3,701	-\$38,785	-\$1,879
	<b>Part rate income test</b>	\$46,488	\$4,336	\$0	-\$4,142	-\$43,383	\$3,472
	<b>Part rate assets test</b>	\$69,731	\$4,799	\$0	-\$4,784	-\$35,364	\$31,586
	<b>Total</b>	\$49,339	\$3,809	\$0	-\$3,934	-\$39,966	\$5,066

**Analysis 2: Change in assessed assets (nominal dollars) in the first five years of receiving Age Pension (lower assets taper period, post-20 September 2007)**

Between 1 July 2008 and 30 June 2009, 183,563 persons started to receive Age Pension. Of this group, 162,538 individuals were also receiving Age Pension five years after their date of commencement. This section of the paper will investigate the changes that took place in the assets holdings within this group in the first five years after the person started to receive Age Pension. In order to control for changes in circumstances that are likely to have had substantial effects on the holdings of assets, the above group is further limited to those who had neither a change in whether they were partnered nor a change in their home ownership status in that same five year period since they started to receive Age Pension. This limits the final group that we will study to 147,265 persons.

Table 8 shows some basic demographics of the group under study. Males made up 47.6 per cent of the group and commenced Age Pension at an average age of 67.3 years. Females commenced Age Pension at an average age of 65.8 years reflecting the younger pension age for women, for those women born on or before 31 December 1948. Women reached pension age during 2008-09 at age 63 years and six months.

<b>Table 8. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: sex by month of commencement, recipients and average age commenced</b>						
	Male		Female		Total	
	Recipients	Average age commenced	Recipients	Average age commenced	Recipients	Average age commenced
<b>Jul-08</b>	5,450	67.0	6,381	65.3	11,831	66.1
<b>Aug-08</b>	5,033	66.8	5,489	65.3	10,522	66.1
<b>Sep-08</b>	5,245	67.0	5,869	65.5	11,114	66.2
<b>Oct-08</b>	7,200	68.0	7,895	66.2	15,095	67.0
<b>Nov-08</b>	6,566	67.9	7,351	66.2	13,917	67.0
<b>Dec-08</b>	6,235	67.6	6,747	66.0	12,982	66.8
<b>Jan-09</b>	6,152	67.4	6,450	66.0	12,602	66.7
<b>Feb-09</b>	5,808	67.5	6,237	66.0	12,045	66.8
<b>Mar-09</b>	6,305	67.3	6,961	65.9	13,266	66.6
<b>Apr-09</b>	5,460	67.2	6,113	65.8	11,573	66.5
<b>May-09</b>	5,509	66.9	5,906	65.5	11,415	66.2
<b>Jun-09</b>	5,159	66.8	5,744	65.8	10,903	66.3
<b>Total</b>	70,122	67.3	77,143	65.8	147,265	66.5

Some 72,312 or just under half of the group were receiving some type of pension on or before reaching pension age. For most of this group (91.4%), Age Pension was the pension received at pension age, however, a further 6,219 persons who commenced Age Pension in 2008-09 were receiving a pension other than Age Pension on the day that they reached pension age (see Table 9).

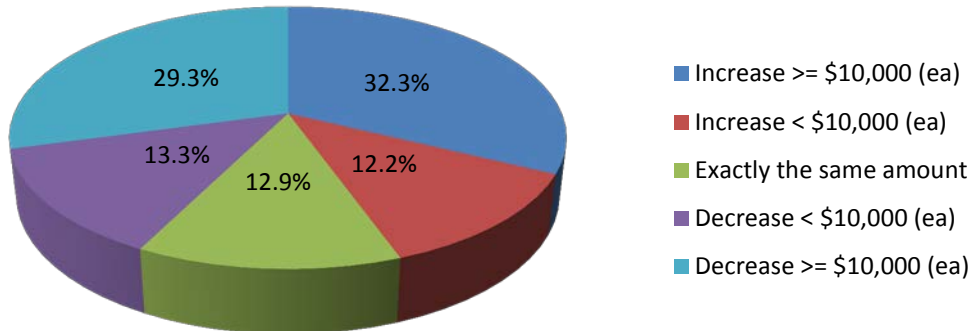
There were a further 74,953 persons who commenced Age Pension during 2008-09 who were not receiving any pension on the day that they had reached pension age. Of these persons, 12,093 (16.1%) had commenced within three months of reaching pension age.

Within a year of reaching pension age this proportion had accumulated to 28.0 per cent, within two years 38.4 per cent and within three years 48.8 per cent.

<b>Table 9. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: whether original date of grant (start date of the current period of continuous pensions entitlement) was on before pension age by period after pension age commenced Age Pension, recipients and average age commenced</b>						
	Original date of grant on or before pension age		Original date of grant after pension age		Total	
	Recipients	Average age commenced	Recipients	Average age commenced	Recipients	Average age commenced
Commenced on pension day	66,093	64.2	-	-	66,093	64.2
Commenced within 3 months	4,201	64.3	12,093	64.4	16,294	64.4
Commenced within 6 months	653	64.5	3,924	64.6	4,577	64.6
Commenced within 9 months	151	64.7	2,872	64.9	3,023	64.9
Commenced within 1 year	99	65.2	2,130	65.3	2,229	65.3
Commenced within 2 years	291	65.5	7,782	65.7	8,073	65.7
Commenced within 3 years	246	66.1	7,801	66.3	8,047	66.3
Commenced within 4 years	135	67.1	4,926	67.5	5,061	67.5
Commenced within 5 years	126	67.8	5,181	68.2	5,307	68.2
Commenced within 10 years	218	69.9	15,024	70.6	15,242	70.6
Commenced later	99	76.2	13,220	77.2	13,319	77.2
<b>Total</b>	<b>72,312</b>	<b>64.3</b>	<b>74,953</b>	<b>68.7</b>	<b>147,265</b>	<b>66.5</b>

In the group as a whole, 32.3 per cent increased their assessed assets by an amount greater or equal to \$10,000 in the five years after commencing Age Pension (see Chart 5 and Table 10). Some 38.4 per cent of the group had either a modest change in assets or no change in assets at all (their assets neither increased nor decreased by an amount that exceeded \$10,000). Finally, 29.3 per cent of the group had a decrease in assets over the five years that exceeded \$10,000. While there were both increases and decreases in the group, in overall net terms, the average assessed assets of the group increased by \$6,633 in the five years after commencing Age Pension.

**Chart 5. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary**



Differences between males and females in the group were minor. Some 32.4 per cent of males had an increase of \$10,000 or more, while 30.0 per cent had a decrease of \$10,000 or more. In comparison, 32.2 per cent of females had an increase of \$10,000 or more, while 28.6 per cent of females had a decrease of \$10,000 or more. Overall, males had a net change of an average increase of \$5,932 and similarly females had a net overall average increase of \$7,271.

**Table 10. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by sex, recipients and average change in assets**

	Increase >= \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease >= \$10,000 (ea)	Total
Recipients						
<b>Males</b>	22,713	8,554	8,270	9,546	21,039	70,122
<b>Females</b>	24,809	9,476	10,760	10,006	22,092	77,143
<b>Persons</b>	47,522	18,030	19,030	19,552	43,131	147,265
Average change in assets (ea)						
<b>Males</b>	\$73,148	\$3,786	\$0	(\$3,910)	(\$58,963)	\$5,932
<b>Females</b>	\$74,747	\$3,678	\$0	(\$3,929)	(\$58,347)	\$7,271
<b>Persons</b>	\$73,982	\$3,729	\$0	(\$3,920)	(\$58,647)	\$6,633

Persons who commenced receiving Age Pension at a later age were more likely to have a large increase in assets than persons who commenced at a younger age. Amongst those who were aged less than 65 years at commencement, 29.8 per cent increased their assets by an amount of \$10,000 or more. This proportion was 32.1 per cent for those who commenced aged 65 but less than 70 years, 36.6 per cent for those who commenced aged 70 but less than 75 years, 40.0 per cent for those aged 75 but less than 80 years and 45.3 per cent for those aged 80 but less than 85 years (see Table 11 and Chart 6).

Around one-quarter of persons aged under 65 years at commencement had a large decrease in assets of \$10,000 or more in the five years after commencement. This

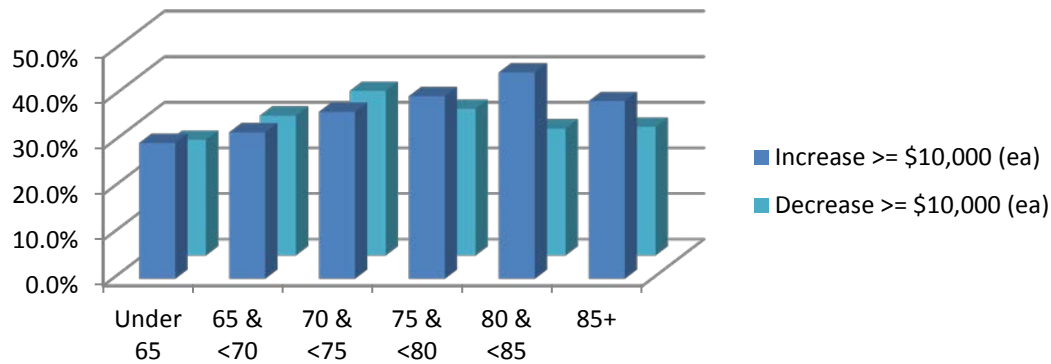
proportion was 30.6 per cent for those aged 65 and less than 70 years at commencement and 36.1 per cent of those aged 70 and less than 75 years at commencement (see Table 11).

The overall average change in assets ranged between an average net increase of \$3,731 for persons aged 70 and less than 75 years at commencement of Age Pension up to an average net increase of \$18,375 for persons aged 80 and less than 85 years at commencement (see Table 11).

<b>Table 11. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by age commenced Age Pension, recipients and average change in assets</b>						
	Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
	Recipients					
<b>Under 65</b>	15,538	6,907	9,331	7,168	13,224	52,168
<b>65 &amp; &lt;70</b>	23,158	8,855	8,365	9,656	22,106	72,140
<b>70 &amp; &lt;75</b>	5,095	1,358	697	1,746	5,020	13,916
<b>75 &amp; &lt;80</b>	2,429	597	404	687	1,951	6,068
<b>80 &amp; &lt;85</b>	1,034	214	172	229	636	2,285
<b>85+</b>	268	99	61	66	194	688
<b>Persons</b>	47,522	18,030	19,030	19,552	43,131	147,265
	Average change in assets (ea)					
<b>Under 65</b>	\$72,632	\$3,636	\$0	(\$3,955)	(\$50,354)	\$8,807
<b>65 &amp; &lt;70</b>	\$72,176	\$3,766	\$0	(\$3,938)	(\$59,120)	\$4,988
<b>70 &amp; &lt;75</b>	\$76,773	\$4,035	\$0	(\$3,881)	(\$67,319)	\$3,731
<b>75 &amp; &lt;80</b>	\$84,319	\$3,791	\$0	(\$3,690)	(\$75,826)	\$9,328
<b>80 &amp; &lt;85</b>	\$90,123	\$3,145	\$0	(\$3,330)	(\$80,364)	\$18,375
<b>85+</b>	\$99,392	\$3,664	\$0	(\$2,932)	(\$101,715)	\$10,281
<b>Persons</b>	\$73,982	\$3,729	\$0	(\$3,920)	(\$58,647)	\$6,633



**Chart 6. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by age**



Home owners were more likely to have a large increase in their assets than persons who were not home owners. Some 33.4 per cent of single home owners and 37.5 per cent of partnered home owners had an increase in their assets of \$10,000 or more. In comparison, only 13.5 per cent of singles who were not a home owner and 13.0 per cent of partnered persons who were not a home owner had an increase in their assets by an amount of \$10,000 or more (see Table 12 and Chart 7).

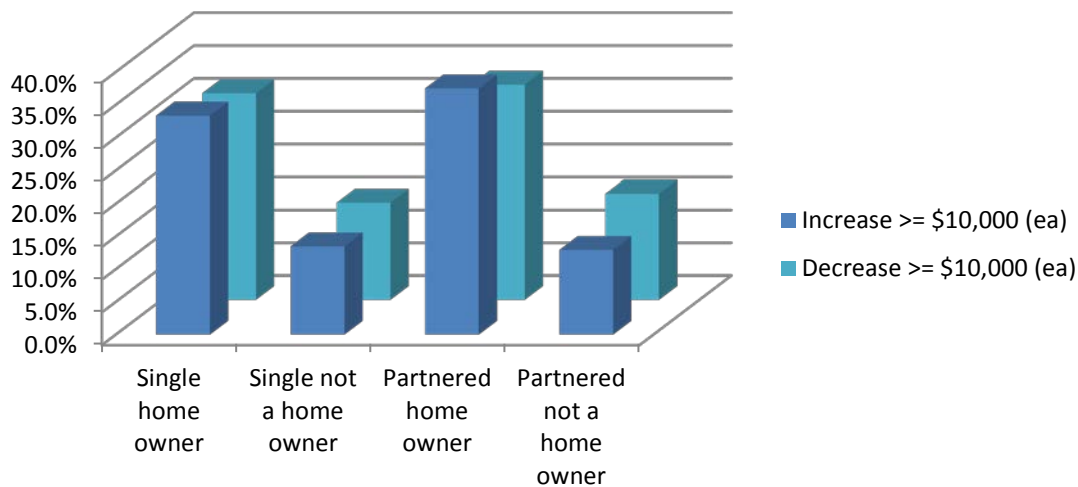
Home owners were also more likely to have a large decrease in their assets than persons who were not home owners. Some 31.4 per cent of single home owners and 32.8 per cent of partnered home owners had a decrease in their assets of \$10,000 or more. In comparison, only 14.9 per cent of singles who were not a home owner and 16.2 per cent of partnered persons who were not a home owner had a decrease in their assets by an amount of \$10,000 or more (see Table 12 and Chart 7).

In overall terms, in the five years after commencement of Age Pension, single home owners had a net overall increase in assets of an average \$5,862. For partnered persons who were home owners the net overall change was an average increase of \$9,000. For single persons who were not a home owner the net overall change was an average decrease of \$389, while for partnered persons who were not a home owner, the net overall change was an average decrease of \$1,259 (see Table 12).

**Table 12. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by partner status by home ownership status, recipients and average change in assets**

	Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
Recipients						
Single home owner	8,961	2,771	3,739	2,948	8,446	26,865
Single not a home owner	2,420	2,646	7,779	2,416	2,662	17,923
Partnered home owner	34,929	10,704	4,742	12,239	30,507	93,121
Partnered not a home owner	1,212	1,909	2,770	1,949	1,516	9,356
Persons	47,522	18,030	19,030	19,552	43,131	147,265
Average change in assets (ea)						
Single home owner	\$84,554	\$3,828	\$0	(\$4,014)	(\$70,918)	\$5,862
Single not a home owner	\$65,301	\$2,754	\$0	(\$3,160)	(\$61,853)	(\$389)
Partnered home owner	\$72,740	\$4,130	\$0	(\$4,187)	(\$55,580)	\$9,000
Partnered not a home owner	\$48,949	\$2,693	\$0	(\$3,043)	(\$46,383)	(\$1,259)
Persons	\$73,982	\$3,729	\$0	(\$3,920)	(\$58,647)	\$6,633

**Chart 7. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by home ownership status**



Persons with larger amounts of assets at commencement were more likely to have changes of \$10,000 or more in the value of their assets (both increases and decreases) than persons with smaller amounts of assets (see Table 13).

Some 20.6 per cent of persons with under \$50,000 in assets at commencement had an increase of \$10,000 or more in their level of assets. This proportion increased to 35.0 per cent in the group who had assets between \$50,000 and under \$100,000, 36.0 per cent in the group who had between \$100,000 and under \$150,000, 37.5 per cent in the group who had between \$150,000 and under \$200,000, 39.2 per cent in the group who had between \$200,000 and under \$250,000 and over 42 per cent in each of the higher assets ranges (see Table 13 and Chart 8).

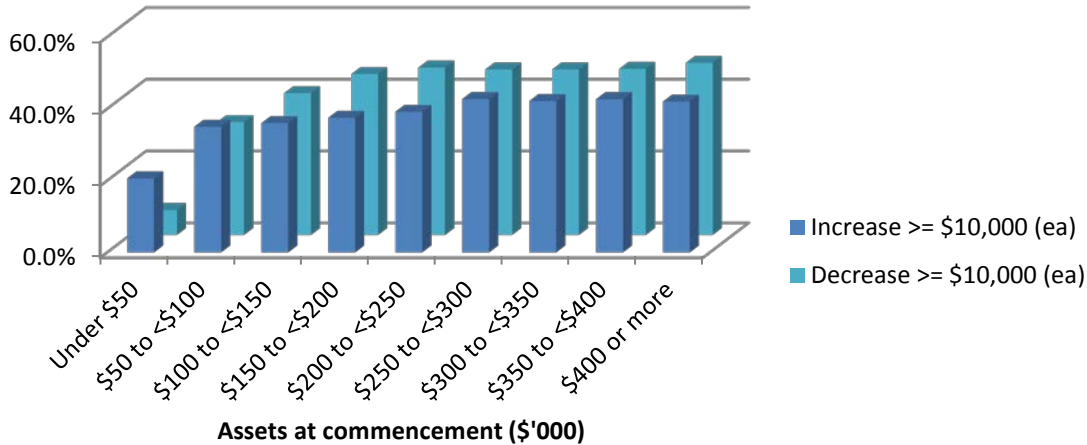
Similarly, persons with more assets at commencement were more likely to have a reduction in their assets holdings than persons with lower initial levels of assets. Only 6.9 per cent of persons with under \$50,000 in assets at commencement had a decrease in their assets by \$10,000 or more. This proportion jumped to 31.5 per cent in the group with assets between \$50,000 and under \$100,000, 39.5 per cent in the group with \$100,000 and under \$150,000, 44.8 per cent in the group with initial assets of between \$150,000 and under \$200,000 and more than 46 per cent of persons in the higher assets ranges.

In the group with under \$50,000 in assets at commencement, the overall net change in the five years was an average increase of \$12,325. In the group with assets between \$50,000 and under \$100,000 the overall net change was an average increase of \$15,963, decreasing as we move up the asset ranges, but still an overall net increase of \$969 in the group with assets between \$250,000 and \$300,000. In the group with assets between \$300,000 and \$350,000 the net overall change was an average decrease in assets of \$4,534, between \$350,000 and \$400,000 it was an average decrease in assets of \$9,118 and for those with \$400,000 or more it was an average decrease of \$17,203 (see Table 13).

**Table 13. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by partner status by assets at commencement, recipients and average change in assets**

	Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
Recipients						
<b>Under \$50,000</b>	10,790	9,897	16,963	11,004	3,634	52,288
<b>\$50,000 to &lt;\$100,000</b>	8,012	3,077	1,391	3,213	7,204	22,897
<b>\$100,000 to &lt;\$150,000</b>	5,809	1,719	370	1,865	6,379	16,142
<b>\$150,000 to &lt;\$200,000</b>	4,030	857	125	918	4,812	10,742
<b>\$200,000 to &lt;\$250,000</b>	3,407	579	54	605	4,053	8,698
<b>\$250,000 to &lt;\$300,000</b>	3,267	389	37	425	3,523	7,641
<b>\$300,000 to &lt;\$350,000</b>	3,375	464	33	439	3,689	8,000
<b>\$350,000 to &lt;\$400,000</b>	4,103	516	20	526	4,442	9,607
<b>\$400,000 or more</b>	4,729	532	37	557	5,395	11,250
<b>Persons</b>	47,522	18,030	19,030	19,552	43,131	147,265
Average change in assets (ea)						
<b>Under \$50,000</b>	\$66,500	\$3,044	\$0	(\$3,295)	(\$18,422)	\$12,325
<b>\$50,000 to &lt;\$100,000</b>	\$72,512	\$4,266	\$0	(\$4,634)	(\$29,664)	\$15,963
<b>\$100,000 to &lt;\$150,000</b>	\$80,884	\$4,506	\$0	(\$4,661)	(\$41,166)	\$12,781
<b>\$150,000 to &lt;\$200,000</b>	\$78,081	\$4,666	\$0	(\$5,134)	(\$52,733)	\$5,604
<b>\$200,000 to &lt;\$250,000</b>	\$80,886	\$4,633	\$0	(\$4,678)	(\$65,391)	\$1,196
<b>\$250,000 to &lt;\$300,000</b>	\$81,794	\$4,865	\$0	(\$4,820)	(\$73,706)	\$969
<b>\$300,000 to &lt;\$350,000</b>	\$77,185	\$5,114	\$0	(\$4,601)	(\$80,542)	(\$4,534)
<b>\$350,000 to &lt;\$400,000</b>	\$69,160	\$5,019	\$0	(\$4,673)	(\$83,631)	(\$9,118)
<b>\$400,000 or more</b>	\$73,103	\$5,081	\$0	(\$4,902)	(\$99,946)	(\$17,203)
<b>Persons</b>	\$73,982	\$3,729	\$0	(\$3,920)	(\$58,647)	\$6,633

**Chart 8. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by assets at commencement**



In the total group of recipients, at commencement 52,469 (35.6%) recipients were receiving the maximum rate 53,447 (36.3%) recipients were receiving a part-rate income reduced payment and 41,349 (28.1%) recipients were receiving a part-rate assets reduced payment.

Of the 52,469 persons who were receiving the maximum rate at commencement, 89.0 per cent were also receiving maximum rate five years after commencement, 6.6 per cent switched to receiving a part-rate income reduced rate and 4.4 per cent switched to receiving a part-rate assets reduced rate. Some 21.7 per cent of recipients who were receiving maximum rate at commencement had an increase in the value of their assets by \$10,000 or more, while 13.6 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were maximum rate recipients at commencement, the net overall change in the value of assets was an average increase of \$11,238. Those who remained at the maximum rate of payment over the five years had a net overall change in assets of an average increase of \$1,802, those who moved to a part-rate income reduced rate had an average increase of \$33,291, while those who moved to a part-rate assets reduced rate had an average increase of \$170,509 (see Table 14).

In comparison, of the 53,447 persons who were receiving a part-rate income reduced rate at commencement, only 53.3 per cent were also receiving a part-rate income reduced rate five years after commencement, 30.7 per cent switched to receiving maximum rate and 15.9 per cent switched to receiving a part-rate assets reduced rate. Some 36.5 per cent of recipients who were receiving a part-rate income reduced rate at commencement had an increase in the value of their assets by \$10,000 or more, while 30.9 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were part-rate income reduced rate recipients at commencement, the net overall change in the value of assets was an average increase of \$12,445. Those who remained on a part-rate income reduced rate of payment over the five years had a net overall change in assets of an average increase of \$5,156, those who moved to a maximum rate had an average decrease of \$12,241, while

those who moved to a part-rate assets reduced rate had an average increase of \$84,435 (see Table 14).

Finally, of the 41,349 persons who were receiving a part-rate assets reduced rate at commencement, 81.8 per cent were also receiving a part-rate assets reduced rate five years after commencement, 7.0 per cent switched to receiving maximum rate and 11.1 per cent switched to receiving a part-rate income reduced rate. Some 40.2 per cent of recipients who were receiving a part-rate assets reduced rate at commencement had an increase in the value of their assets by \$10,000 or more, while 47.2 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were part-rate assets reduced rate recipients at commencement, the net overall change in the value of assets was an average decrease of \$6,721. Those who remained on a part-rate assets reduced rate of payment over the five years had a net overall change in assets of an average increase of \$10,779, those who moved to a maximum rate had an average decrease of \$109,403, while those who moved to a part-rate income reduced rate had an average decrease of \$70,580 (see Table 14).

**Table 14. Persons who commenced Age Pension during 2008-09 who were also receiving Age Pension five years after commencement, unchanged partner status and home ownership status: change in assets summary by means test at commencement by means test five years after commencement, recipients and average change in assets**

		Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
<b>Means test applied at commencement</b>	<b>Means test applied five years after commencement</b>	Recipients					
<b>Maximum rate</b>	<b>Maximum rate</b>	7,503	8,227	16,282	8,177	6,515	46,704
	<b>Part rate income test</b>	1,588	511	292	494	595	3,480
	<b>Part rate assets test</b>	2,285	0	0	0	0	2,285
	<b>Total</b>	11,376	8,738	16,574	8,671	7,110	52,469
<b>Part rate income test</b>	<b>Maximum rate</b>	3,596	2,653	1,090	2,650	6,430	16,419
	<b>Part rate income test</b>	9,418	3,783	1,195	5,259	8,856	28,511
	<b>Part rate assets test</b>	6,498	404	10	374	1,231	8,517
	<b>Total</b>	19,512	6,840	2,295	8,283	16,517	53,447
<b>Part rate assets test</b>	<b>Maximum rate</b>	17	80	14	187	2,609	2,907
	<b>Part rate income test</b>	678	191	18	250	3,463	4,600
	<b>Part rate assets test</b>	15,939	2,181	129	2,161	13,432	33,842
	<b>Total</b>	16,634	2,452	161	2,598	19,504	41,349
<b>Total</b>	<b>Maximum rate</b>	11,116	10,960	17,386	11,014	15,554	66,030
	<b>Part rate income test</b>	11,684	4,485	1,505	6,003	12,914	36,591
	<b>Part rate assets test</b>	24,722	2,585	139	2,535	14,663	44,644
	<b>Total</b>	47,522	18,030	19,030	19,552	43,131	147,265
		Average change in assets (ea)					
<b>Maximum rate</b>	<b>Maximum rate</b>	\$37,116	\$3,082	\$0	(\$3,477)	(\$29,355)	\$1,802
	<b>Part rate income test</b>	\$85,904	\$3,785	\$0	(\$3,886)	(\$34,583)	\$33,291
	<b>Part rate assets test</b>	\$170,509	-	-	-	-	\$170,509
	<b>Total</b>	\$70,720	\$3,123	\$0	(\$3,500)	(\$29,793)	\$11,238
<b>Part rate income test</b>	<b>Maximum rate</b>	\$36,452	\$4,006	\$0	(\$4,140)	(\$51,590)	(\$12,241)
	<b>Part rate income test</b>	\$60,148	\$4,060	\$0	(\$4,023)	(\$46,711)	\$5,156
	<b>Part rate assets test</b>	\$119,685	\$5,054	\$0	(\$4,730)	(\$47,811)	\$84,435
	<b>Total</b>	\$75,608	\$4,098	\$0	(\$4,092)	(\$48,692)	\$12,445
<b>Part rate assets test</b>	<b>Maximum rate</b>	\$13,646	\$3,817	\$0	(\$4,743)	(\$121,765)	(\$109,403)
	<b>Part rate income test</b>	\$50,252	\$4,367	\$0	(\$4,656)	(\$103,496)	(\$70,580)
	<b>Part rate assets test</b>	\$75,395	\$4,943	\$0	(\$4,790)	(\$62,340)	\$10,779
	<b>Total</b>	\$74,307	\$4,861	\$0	(\$4,774)	(\$77,596)	(\$6,721)
<b>Total</b>	<b>Maximum rate</b>	\$36,865	\$3,311	\$0	(\$3,658)	(\$54,048)	(\$6,586)
	<b>Part rate income test</b>	\$63,074	\$4,042	\$0	(\$4,038)	(\$61,380)	(\$1,689)
	<b>Part rate assets test</b>	\$95,827	\$4,960	\$0	(\$4,781)	(\$61,120)	\$33,007
	<b>Total</b>	\$73,982	\$3,729	\$0	(\$3,920)	(\$58,647)	\$6,633

**Analysis 3: Change in assessed assets (nominal dollars) in the last five years of receiving Age Pension (higher assets taper period, pre-20 September 2007)**

Between 1 July 2006 and 30 June 2007, 67,239 persons died who were: i) receiving Age Pension on the day before they died; and ii) also receiving Age Pension five years prior to their death. This paper will investigate what changes took place in the assets holdings within this group in the five years before the person's death. In order to control for changes in circumstances that are likely to have had substantial effects on the holdings of assets, the above group is further limited to those who had neither a change in whether they were partnered nor a change in their home ownership status in that same five year period prior to their death. This limits the final group that we will study to 53,606 persons.

Table 15 shows some of the basic demographics of the group. Males made up 45.6 per cent of the group and they died at an average age of 80.9 years after receiving Age Pension for an average period of 15.5 years. Females died at an average age of 84.4 years after receiving Age Pension for an average period of 23.1 years.

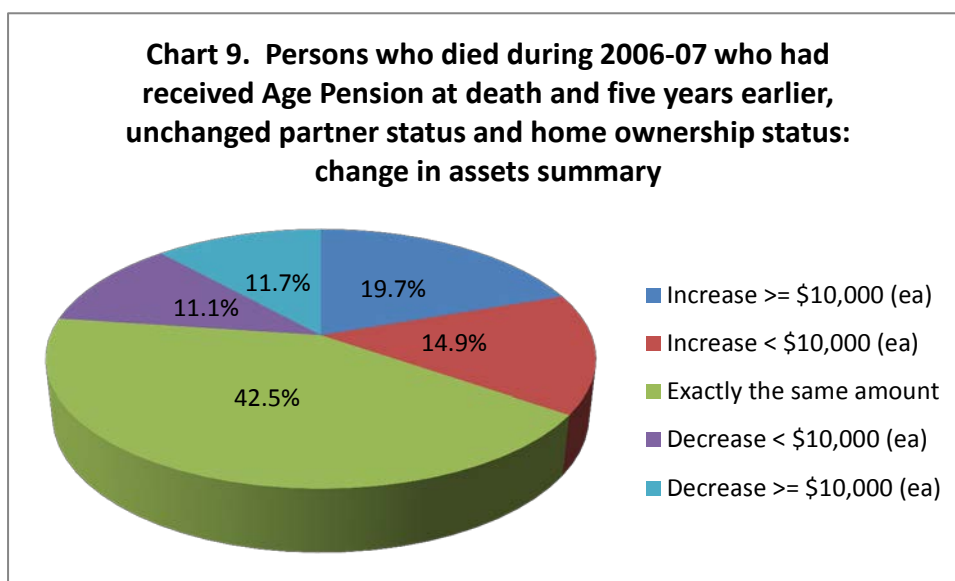
	Males			Females			Persons		
	Recip- ients	Average duration on Age Pension (years)	Average age at death (years)	Recip- ients	Average duration on Age Pension (years)	Average age at death (years)	Recip- ients	Average duration on Age Pension (years)	Average age at death (years)
<b>Jul-06</b>	2,220	15.8	81.0	2,720	23.4	84.6	4,940	20.0	83.0
<b>Aug-06</b>	2,269	15.6	80.8	2,788	23.0	84.6	5,057	19.7	82.9
<b>Sep-06</b>	2,080	15.6	81.1	2,542	23.2	84.7	4,622	19.8	83.0
<b>Oct-06</b>	2,027	15.3	80.7	2,466	23.1	84.4	4,493	19.6	82.7
<b>Nov-06</b>	1,934	15.6	80.9	2,302	23.0	84.6	4,236	19.6	82.9
<b>Dec-06</b>	1,912	15.2	80.7	2,237	23.0	84.1	4,149	19.4	82.5
<b>Jan-07</b>	1,942	15.5	80.9	2,281	22.6	84.1	4,223	19.4	82.6
<b>Feb-07</b>	1,728	15.6	80.9	2,016	23.2	84.4	3,744	19.7	82.8
<b>Mar-07</b>	1,999	15.6	81.0	2,319	22.8	84.1	4,318	19.5	82.7
<b>Apr-07</b>	1,969	15.6	80.9	2,241	22.9	84.3	4,210	19.5	82.7
<b>May-07</b>	2,115	15.2	80.6	2,572	23.2	84.5	4,687	19.6	82.8
<b>Jun-07</b>	2,260	15.7	81.2	2,667	23.5	84.7	4,927	19.9	83.1
<b>Total</b>	24,455	15.5	80.9	29,151	23.1	84.4	53,606	19.6	82.8

In the group as a whole, just under one-fifth increased their assessed assets by an amount greater or equal to \$10,000 in the five years leading up to their death (see Chart 9 and Table 16). Just over two-thirds of the group had either a modest change in assets or no change in assets at all (their assets neither increased nor decreased by an amount that exceeded \$10,000). Only 11.7 per cent of the group had a decrease in assets over the five years that exceeded \$10,000. While there were both increases and decreases in the group, in overall net terms, the average assessed assets of the group increased by \$5,314 in the five years prior to the death of the recipient.



There weren't large differences between males and females in the group. Some 20.5 per cent of males had an increase of \$10,000 or more, while 12.6 per cent had a decrease of \$10,000 or more. In comparison, 19.0 per cent of females had an increase of \$10,000 or more, while 11.0 per cent of females had a decrease of \$10,000 or more. Overall, males had a net change of an average increase of \$4,976 and similarly females had a net overall average increase of \$5,599 (see Table 16).

<b>Table 16. Persons who died during 2006-07 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by sex, recipients and average change in assets</b>						
	Increase >= \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease >= \$10,000 (ea)	Total
Recipients						
<b>Males</b>	5,017	3,960	9,131	3,267	3,080	24,455
<b>Females</b>	5,543	4,041	13,670	2,694	3,203	29,151
<b>Persons</b>	10,560	8,001	22,801	5,961	6,283	53,606
Average change in assets (ea)						
<b>Males</b>	\$44,298	\$3,672	\$0	-\$3,653	-\$33,495	\$4,976
<b>Females</b>	\$52,979	\$3,817	\$0	-\$3,630	-\$42,494	\$5,599
<b>Persons</b>	\$48,855	\$3,745	\$0	-\$3,643	-\$38,082	\$5,314



Persons who died at a later age were more likely to have a large increase in assets than persons who died at a younger age. Amongst those who were aged 70 and less than 75 years at death, 17.7 per cent increased their assets by an amount of \$10,000 or more. In the group of persons aged 90 and less than 95 years of age, 22.2 per cent had an increase in assets of \$10,000 or more (see Table 17 and Chart 10).

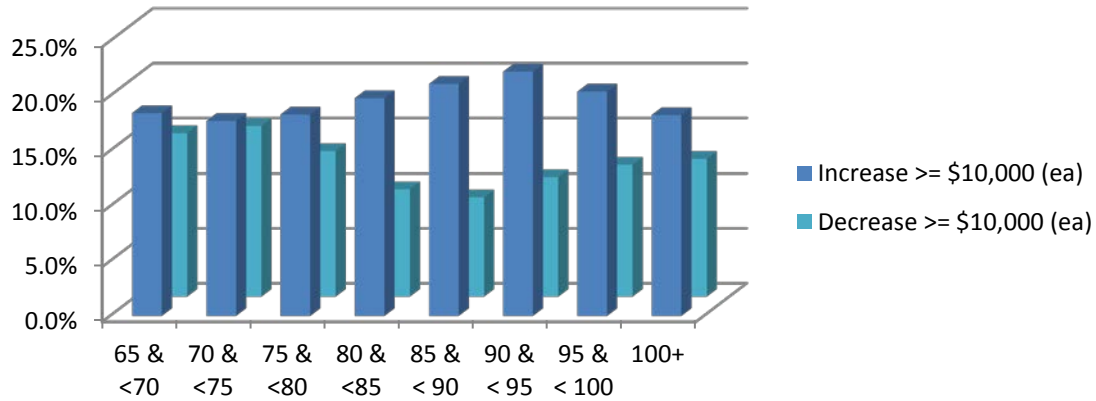
Conversely, persons who died at a younger age were more likely to have a large decrease in assets than persons who died at an older age (Table 17 and Chart 10). For example, 15.5 per cent of persons who died aged between 70 and less than 75 years had a decrease

in their assets of \$10,000 or more. Only 9.0 per cent of those aged 85 and less than 90 years at death had a decrease in assets of \$10,000 or more.

The overall average change in assets ranged between an average net increase of \$2,659 for persons aged 100 years or more at death up to an average net increase of \$7,288 for persons aged 85 and less than 90 years at death (see Table 17).

<b>Table 17. Persons who died during 2006-07 who had received Age Pension at death and five years earlier, unchanged partnered status and home ownership status: change in assets summary by age at death, recipients and average change in assets</b>						
	Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
Recipients						
65 & <70	252	242	491	179	203	1,367
70 & <75	1,434	1,271	2,891	1,247	1,255	8,098
75 & <80	2,204	1,924	4,739	1,583	1,590	12,040
80 & <85	2,230	1,739	4,910	1,286	1,103	11,268
85 & < 90	2,041	1,454	4,419	891	875	9,680
90 & < 95	1,681	983	3,532	547	825	7,568
95 & < 100	607	337	1,487	190	356	2,977
100+	111	51	332	38	76	608
<b>Persons</b>	10,560	8,001	22,801	5,961	6,283	53,606
Average change in assets (ea)						
65 & <70	\$48,059	\$3,711	\$0	-\$3,297	-\$32,478	\$4,262
70 & <75	\$43,485	\$3,560	\$0	-\$3,743	-\$32,411	\$2,660
75 & <80	\$43,914	\$3,594	\$0	-\$3,751	-\$32,118	\$3,878
80 & <85	\$47,539	\$3,752	\$0	-\$3,569	-\$35,686	\$6,087
85 & < 90	\$52,230	\$3,794	\$0	-\$3,520	-\$43,922	\$7,288
90 & < 95	\$54,490	\$4,146	\$0	-\$3,579	-\$48,562	\$7,089
95 & < 100	\$57,759	\$3,751	\$0	-\$3,697	-\$53,924	\$5,517
100+	\$48,476	\$4,884	\$0	-\$3,475	-\$51,067	\$2,659
<b>Persons</b>	\$48,855	\$3,745	\$0	-\$3,643	-\$38,082	\$5,314

**Chart 10. Persons who died during 2006-07 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by age**



Home owners were more likely to have a large increase in their assets than persons who were not home owners. Some 22.9 per cent of single home owners and 26.0 per cent of partnered home owners had an increase in their assets by \$10,000 or more. In comparison, only 13.1 per cent of singles who were not a home owner and 11.5 per cent of partnered persons who were not a home owner had an increase in their assets by an amount of \$10,000 or more (see Table 18 and Chart 11).

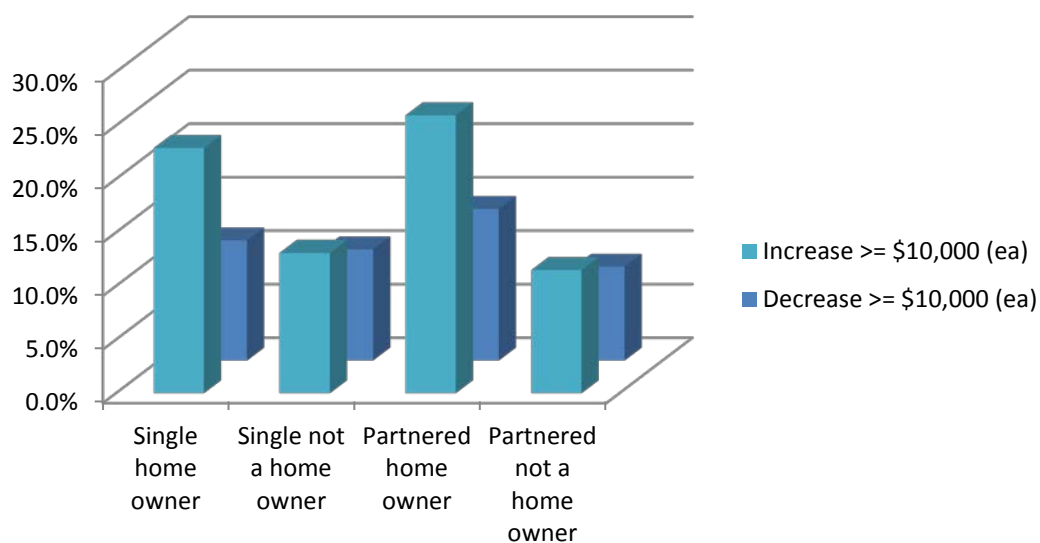
In relation to decreasing assets, some 11.2 per cent of single home owners and 14.2 per cent of partnered home owners had a decrease in their assets by \$10,000 or more. In comparison, only 10.4 per cent of singles who were not a home owner and 8.8 per cent of partnered persons who were not a home owner had a decrease in their assets by an amount of \$10,000 or more (see Table 18 and Chart 11).

In overall terms, in the five years before death, single home owners had a net overall increase in assets of an average \$8,213. For partnered persons who were home owners the net overall change was an average increase of \$6,795. For single persons who were not a home owner the net overall change was an average increase of \$2,531, while for partnered persons who were not a home owner, the net overall change was an average increase of just \$1,794 (see Table 18).

**Table 18. Persons who died during 2006-07 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by partner status by home ownership status, recipients and average change in assets**

	Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
Recipients						
Single home owner	3,067	1,582	6,071	1,179	1,502	13,401
Single not a home owner	2,397	2,397	10,216	1,394	1,900	18,304
Partnered home owner	4,629	3,141	4,826	2,717	2,525	17,838
Partnered not a home owner	467	881	1,688	671	356	4,063
<b>Persons</b>	<b>10,560</b>	<b>8,001</b>	<b>22,801</b>	<b>5,961</b>	<b>6,283</b>	<b>53,606</b>
Average change in assets (ea)						
Single home owner	\$54,837	\$4,137	\$0	-\$3,879	-\$40,005	\$8,213
Single not a home owner	\$58,319	\$3,517	\$0	-\$3,264	-\$51,238	\$2,531
Partnered home owner	\$41,322	\$3,937	\$0	-\$3,924	-\$28,425	\$6,795
Partnered not a home owner	\$35,655	\$2,980	\$0	-\$2,875	-\$28,250	\$1,794
<b>Persons</b>	<b>\$48,855</b>	<b>\$3,745</b>	<b>\$0</b>	<b>-\$3,643</b>	<b>-\$38,082</b>	<b>\$5,314</b>

**Chart 11. Persons who died during 2006-07 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by home ownership**



Persons with larger amounts of assets five years before their death were more likely to have changes of \$10,000 or more in the value of their assets (both increases and decreases) than persons with smaller amounts of assets (see Table 19).

Some 16.0 per cent of persons with under \$50,000 in assets five years before their death had an increase of \$10,000 or more in their level of assets. This proportion increased to 27.0 per cent in the group who had assets between \$50,000 and under \$100,000, 33.2 per cent in the group who had assets between \$100,000 and under \$150,000, 34.3 per cent in the group who had between \$150,000 and under \$200,000 and 32.3 per cent in the group that had \$200,000 or more (see Table 19 and Chart 12).

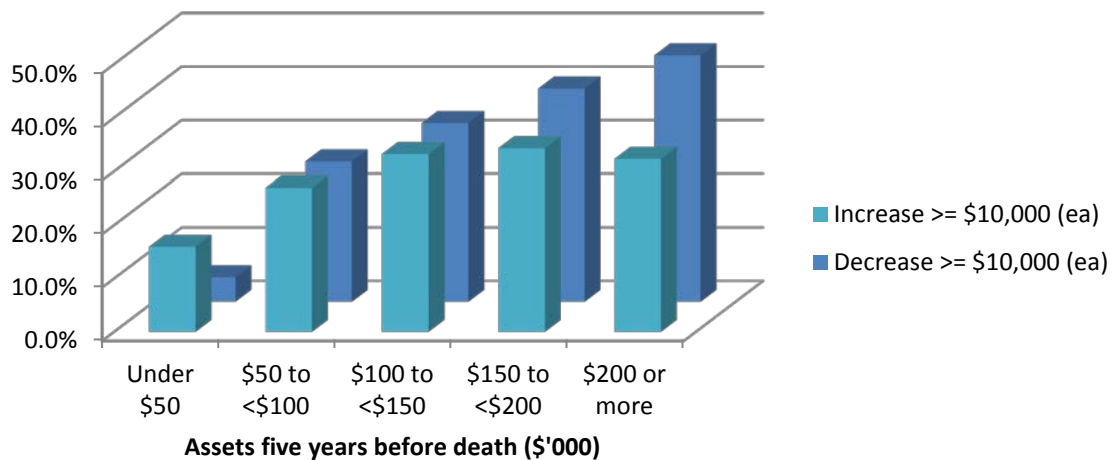
Similarly, persons with more assets five years before their death were more likely to have a reduction in their assets holdings than persons with lower initial levels of assets. Only 4.6 per cent of persons with under \$50,000 in assets five years before their death had a decrease in their assets by \$10,000 or more. This proportion jumped to 26.2 per cent in the group with assets between \$50,000 and under \$100,000, 33.4 per cent in the group with \$100,000 and under \$150,000, 39.8 per cent in the group with initial assets of between \$150,000 and under \$200,000 and 46.0 per cent in the group with \$200,000 or more in assets (see Table 19 and Chart 12).

In the group with under \$50,000 in assets five years before death, the overall net change in the five years was an average increase of \$6,812. In the group with assets between \$50,000 and under \$100,000 the overall net change was an average increase of \$4,630 and still an overall net increase of \$1,629 in the group with assets between \$100,000 and \$150,000. In the group with assets between \$150,000 and \$200,000 the net overall change was an average decrease in assets of \$6,954 and for those with \$200,000 or more in assets it was an average decrease of \$17,739 (see Table 19).

**Table 19. Persons who died during 2006-07 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by ranged assets five years before death, recipients and average change in assets**

	Increase >= \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease >= \$10,000 (ea)	Total
Recipients						
<b>Under \$50,000</b>	6,204	6,167	20,612	4,116	1,784	38,883
<b>\$50,000 to &lt;\$100,000</b>	2,354	1,181	1,755	1,149	2,287	8,726
<b>\$100,000 to &lt;\$150,000</b>	1,185	430	329	432	1,191	3,567
<b>\$150,000 to &lt;\$200,000</b>	538	146	74	185	624	1,567
<b>\$200,000 or more</b>	279	77	31	79	397	863
<b>Persons</b>	10,560	8,001	22,801	5,961	6,283	53,606
Average change in assets (ea)						
<b>Under \$50,000</b>	\$46,951	\$3,583	\$0	-\$3,269	-\$19,642	\$6,812
<b>\$50,000 to &lt;\$100,000</b>	\$49,713	\$4,134	\$0	-\$4,397	-\$33,430	\$4,630
<b>\$100,000 to &lt;\$150,000</b>	\$52,554	\$4,569	\$0	-\$4,661	-\$47,371	\$1,629
<b>\$150,000 to &lt;\$200,000</b>	\$53,642	\$4,505	\$0	-\$4,481	-\$63,439	-\$6,954
<b>\$200,000 or more</b>	\$58,999	\$4,768	\$0	-\$4,633	-\$80,027	-\$17,739
<b>Persons</b>	\$48,855	\$3,745	\$0	-\$3,643	-\$38,082	\$5,314

**Chart 12. Persons who died during 2006-07 who had received Age Pension at death and five years earlier, unchanged partnered status and home ownership status: change in assets summary by ranged assets five years before death**





In the total group of recipients, five year before their death 38,487 (71.8%) were receiving the maximum rate 12,740 (23.8%) were receiving a part-rate income reduced payment and 2,379 (4.4%) were receiving a part-rate assets reduced payment.

Of the 38,487 persons who were receiving the maximum rate five years before their death, 92.3 per cent were also receiving maximum rate at the time of their death, 6.3 per cent switched to receiving a part-rate income reduced rate and 1.3 per cent switched to receiving a part-rate assets reduced rate. Some 15.8 per cent of recipients who were receiving maximum rate five years before their death had an increase in the value of their assets by \$10,000 or more, while 8.3 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were maximum rate recipients five years before their death, the net overall change in the value of assets was an average increase of \$5,554. Those who remained at the maximum rate of payment over the five years had a net overall change in assets of an average increase of \$738, those who moved to a part-rate income reduced rate had an average increase of \$48,606, while those who moved to a part-rate assets reduced rate had an average increase of \$133,588 (see Table 20).

In comparison, of the 12,740 persons who were receiving a part-rate income reduced rate five years before their death, 78.7 per cent were also receiving a part-rate income reduced rate at the time of their death, 17.3 per cent switched to receiving maximum rate and 4.1 per cent switched to receiving a part-rate assets reduced rate. Some 28.4 per cent of recipients who were receiving a part-rate income reduced rate five years before their death had an increase in the value of their assets by \$10,000 or more, while 17.3 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were part-rate income reduced rate recipients five years before their death, the net overall change in the value of assets was an average increase of \$6,285. Those who remained on a part-rate income reduced rate of payment over the five years had a net overall change in assets of an average increase of \$6,786, those who moved to a maximum rate had an average decrease of \$17,207, while those who moved to a part-rate assets reduced rate had an average increase of \$96,267 (see Table 20).

Finally, of the 2,379 persons who were receiving a part-rate assets reduced rate five years before their death, 54.4 per cent were also receiving a part-rate assets reduced rate at the time of their death, 10.4 per cent switched to receiving maximum rate and 35.3 per cent switched to receiving a part-rate income reduced rate. Some 35.1 per cent of recipients who were receiving a part-rate assets reduced rate five years before their death had an increase in the value of their assets by \$10,000 or more, while a similar 37.1 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were part-rate assets reduced rate recipients five years before their death, the net overall change in the value of assets was an average decrease of \$3,761. Those who remained on a part-rate assets reduced rate of payment over the five years had a net overall change in assets of an average increase of \$23,718, those who moved to a maximum rate had an average decrease of \$65,603, while those who moved to a part-rate income reduced rate had an average decrease of \$27,903 (see Table 20).



**Table 20. Persons who died during 2006-07 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by means test applied five years before death by means test applied at death, recipients and average change in assets**

		Increase >= \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease >= \$10,000 (ea)	Total
Means test applied five years before death	Means test applied at death	Recipients					
Maximum rate	Maximum rate	3,925	5,356	19,574	3,660	3,021	35,536
	Part rate income test	1,656	245	212	147	172	2,432
	Part rate assets test	519	.	.	.	.	519
	Total	6,100	5,601	19,786	3,807	3,193	38,487
Part rate income test	Maximum rate	275	336	385	367	835	2,198
	Part rate income test	2,841	1,761	2,615	1,435	1,372	10,024
	Part rate assets test	508	4	.	5	1	518
	Total	3,624	2,101	3,000	1,807	2,208	12,740
Part rate assets test	Maximum rate	1	9	.	26	211	247
	Part rate income test	65	116	8	171	479	839
	Part rate assets test	770	174	7	150	192	1,293
	Total	836	299	15	347	882	2,379
Total	Maximum rate	4,201	5,701	19,959	4,053	4,067	37,981
	Part rate income test	4,562	2,122	2,835	1,753	2,023	13,295
	Part rate assets test	1,797	178	7	155	193	2,330
	Total	10,560	8,001	22,801	5,961	6,283	53,606
		Average change in assets (ea)					
Maximum rate	Maximum rate	\$28,817	\$3,551	\$0	-\$3,493	-\$30,824	\$738
	Part rate income test	\$74,469	\$4,361	\$0	-\$3,736	-\$32,734	\$48,606
	Part rate assets test	\$133,588	.	.	.	.	\$133,588
	Total	\$50,124	\$3,586	\$0	-\$3,503	-\$30,927	\$5,554
Part rate income test	Maximum rate	\$30,477	\$3,742	\$0	-\$4,086	-\$55,042	-\$17,207
	Part rate income test	\$40,413	\$4,132	\$0	-\$3,640	-\$35,599	\$6,786
	Part rate assets test	\$98,214	\$5,027	.	-\$5,565	-\$18,668	\$96,267
	Total	\$47,762	\$4,072	\$0	-\$3,736	-\$42,944	\$6,285
Part rate assets test	Maximum rate	\$12,616	\$2,874	.	-\$5,046	-\$76,357	-\$65,603
	Part rate income test	\$24,398	\$4,504	\$0	-\$4,675	-\$51,607	-\$27,903
	Part rate assets test	\$46,051	\$4,472	\$0	-\$4,655	-\$25,373	\$23,718
	Total	\$44,328	\$4,436	\$0	-\$4,694	-\$51,817	-\$3,761
Total	Maximum rate	\$28,921	\$3,561	\$0	-\$3,557	-\$38,158	-\$732
	Part rate income test	\$52,547	\$4,179	\$0	-\$3,749	-\$39,146	\$12,247
	Part rate assets test	\$86,079	\$4,485	\$0	-\$4,684	-\$25,338	\$64,320
	Total	\$48,855	\$3,745	\$0	-\$3,643	-\$38,082	\$5,314

**Analysis 4: Change in assessed assets (nominal dollars) in the last five years of receiving Age Pension (lower assets taper period, post-20 September 2007)**

Between 1 July 2013 and 30 June 2014, 77,311 persons died who were: i) receiving Age Pension on the day before they died; and ii) also receiving Age Pension five years prior to their death. Again, in order to control for changes in circumstances that are likely to have had substantial effects on the holdings of assets, the above group is further limited to those who had neither a change in whether they were partnered nor a change in their home ownership status in that same five year period prior to their death. This limits the final group that we will study to 63,065 persons.

Table 21 shows some of the basic demographics of the group. Males made up 48.8 per cent of the group and they died at an average age of 82.2 years after receiving Age Pension for an average period of 16.0 years. Females died at an average age of 85.2 years after receiving Age Pension for an average period of 23.3 years.

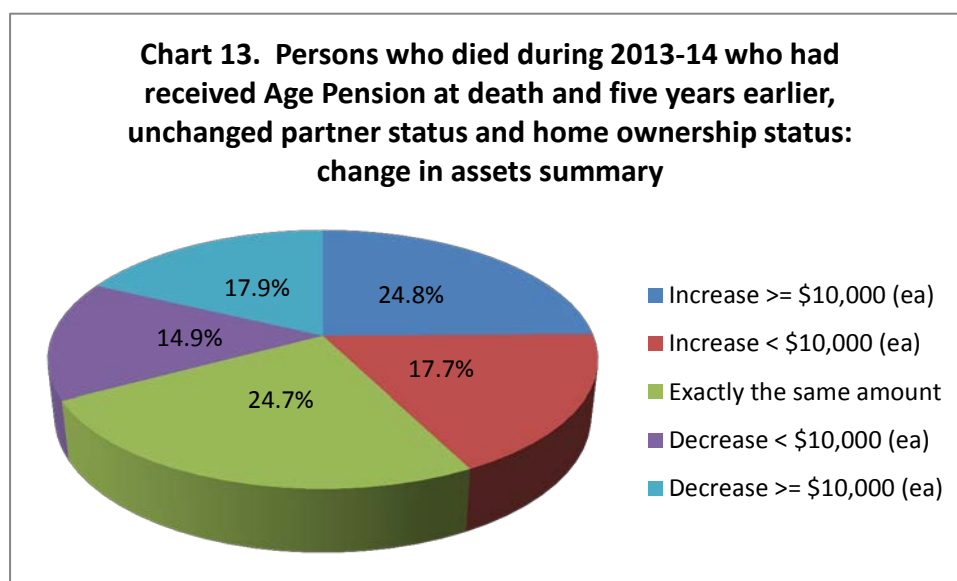
**Table 21. Persons who died during 2013-14 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: sex by month of death, recipients, average duration on Age Pension and average age at death**

	Males			Females			Persons		
	Recip- ients	Average duration on Age Pension (years)	Average age at death (years)	Recip- ients	Average duration on Age Pension (years)	Average age at death (years)	Recip- ients	Average duration on Age Pension (years)	Average age at death (years)
<b>Jul-13</b>	2,872	16.1	82.3	3,103	23.6	85.2	5,975	20.0	83.8
<b>Aug-13</b>	2,854	16.2	82.2	3,018	23.7	85.4	5,872	20.1	83.9
<b>Sep-13</b>	2,665	16.0	82.0	2,741	23.6	85.3	5,406	19.9	83.7
<b>Oct-13</b>	2,659	15.7	82.1	2,714	23.8	85.5	5,373	19.8	83.8
<b>Nov-13</b>	2,523	16.1	82.2	2,565	22.9	84.9	5,088	19.5	83.6
<b>Dec-13</b>	2,530	16.1	82.1	2,658	23.3	85.3	5,188	19.8	83.8
<b>Jan-14</b>	2,563	15.9	82.0	2,752	23.4	85.4	5,315	19.8	83.8
<b>Feb-14</b>	2,238	15.9	82.0	2,328	23.3	85.0	4,566	19.7	83.5
<b>Mar-14</b>	2,493	16.3	82.3	2,652	22.8	85.1	5,145	19.7	83.8
<b>Apr-14</b>	2,496	15.9	82.1	2,617	22.9	84.9	5,113	19.5	83.6
<b>May-14</b>	2,820	16.1	82.4	2,934	23.6	85.4	5,754	19.9	83.9
<b>Jun-14</b>	2,055	16.3	82.5	2,215	23.0	85.3	4,270	19.8	83.9
<b>Total</b>	30,768	16.0	82.2	32,297	23.3	85.2	63,065	19.8	83.8

In the group as a whole, just under one-quarter increased their assessed assets by an amount greater or equal to \$10,000 in the five years leading up to their death (see Chart 13 and Table 22). Some 57.3 per cent of the group either had a modest change in assets or no change in assets at all (their assets neither increased nor decreased by an amount that exceeded \$10,000). Only 17.9 per cent of the group had a decrease in assets over the five years that exceeded \$10,000. While there were both increases and decreases in the group, in overall net terms, the average assessed assets of the group increased by \$6,761 in the five years prior to the death of the recipient.

There weren't large differences between males and females in the group. Some 24.4 per cent of males had an increase of \$10,000 or more, while 19.2 per cent had a decrease of \$10,000 or more. In comparison, 25.1 per cent of females had an increase of \$10,000 or more, while 16.6 per cent of females had a decrease of \$10,000 or more. Overall, males had a net change of an average increase of \$5,952 and similarly females had a net overall average increase of \$7,531 (see Table 22).

<b>Table 22. Persons who died during 2013-14 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by sex, recipients and average change in assets</b>						
	Increase >= \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease >= \$10,000 (ea)	Total
Recipients						
<b>Males</b>	7,510	5,397	6,806	5,140	5,915	30,768
<b>Females</b>	8,100	5,772	8,763	4,286	5,376	32,297
<b>Persons</b>	15,610	11,169	15,569	9,426	11,291	63,065
Average change in assets (ea)						
<b>Males</b>	\$56,567	\$3,736	\$0	-\$3,791	-\$40,975	\$5,952
<b>Females</b>	\$62,507	\$3,903	\$0	-\$3,948	-\$49,979	\$7,531
<b>Persons</b>	\$59,649	\$3,822	\$0	-\$3,863	-\$45,262	\$6,761



Similarly to the group studied in the previous section, persons who died at a later age were more likely to have a large increase in assets than persons who died at a younger age. Amongst those who were aged 70 and less than 75 years at death, 20.0 per cent increased their assets by an amount of \$10,000 or more. In the group of persons aged 95 and less than 100 years of age, 31.9 per cent had an increase in assets of \$10,000 or more (see Table 23 and Chart 14).

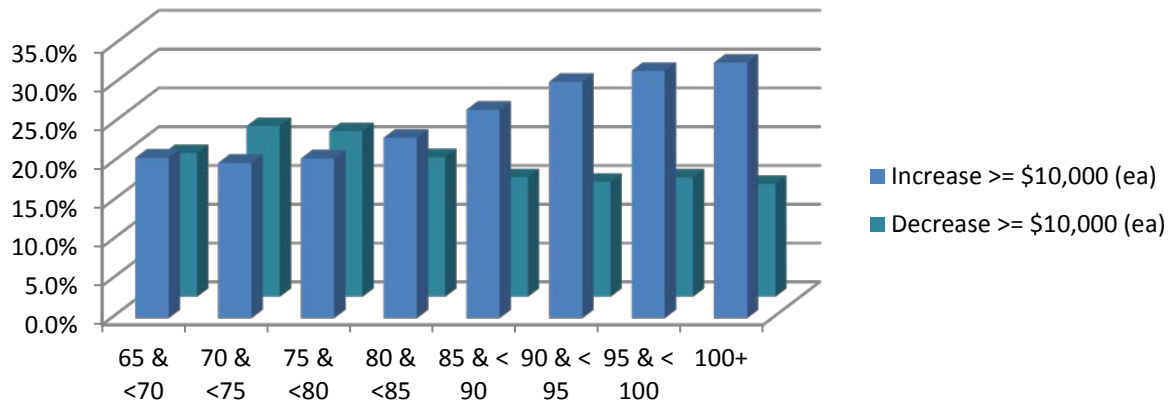
The proportion of persons who had a decrease in assets of \$10,000 or more was quite similar across the different age groups at death (Table 23 and Chart 14). For example, 22.0 per cent of persons who died aged between 70 and less than 75 years had a decrease

in their assets of \$10,000 or more. This proportion fell to around 14 to 15 per cent in age ranges aged 85 years and over.

The overall average change in assets ranged between an average net increase of \$3,041 for persons aged 70 and less than 75 years at death up to an average net increase of \$11,238 for persons aged 100 years or more at death (see Table 23).

<b>Table 23. Persons who died during 2013-14 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by age at death, recipients and average change in assets</b>						
	Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
Recipients						
65 & <70	144	100	196	127	129	696
70 & <75	1,585	1,306	2,010	1,273	1,742	7,916
75 & <80	2,421	1,972	2,911	1,942	2,509	11,755
80 & <85	3,546	2,746	3,727	2,485	2,742	15,246
85 & < 90	3,904	2,717	3,491	2,180	2,239	14,531
90 & < 95	2,586	1,582	2,071	990	1,255	8,484
95 & < 100	1,141	621	900	366	550	3,578
100+	283	125	263	63	125	859
<b>Persons</b>	15,610	11,169	15,569	9,426	11,291	63,065
Average change in assets (ea)						
65 & <70	\$61,624	\$3,470	\$0	-\$3,525	-\$47,091	\$3,877
70 & <75	\$62,720	\$3,528	\$0	-\$3,901	-\$43,042	\$3,041
75 & <80	\$56,153	\$3,639	\$0	-\$3,934	-\$38,916	\$3,219
80 & <85	\$57,303	\$3,792	\$0	-\$3,892	-\$40,386	\$6,113
85 & < 90	\$59,545	\$3,952	\$0	-\$3,722	-\$48,139	\$8,761
90 & < 95	\$61,631	\$3,979	\$0	-\$3,920	-\$55,619	\$10,843
95 & < 100	\$64,822	\$4,151	\$0	-\$3,950	-\$64,552	\$11,065
100+	\$63,223	\$4,299	\$0	-\$3,899	-\$68,244	\$11,238
<b>Persons</b>	\$59,649	\$3,822	\$0	-\$3,863	-\$45,262	\$6,761

**Chart 14. Persons who died during 2013-14 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by age**



In a similar pattern to the earlier group, home owners were more likely to have a large increase in their assets than persons who were not home owners. Some 31.3 per cent of single home owners and 27.5 per cent of partnered home owners had an increase in their assets by \$10,000 or more. In comparison, only 18.9 per cent of singles who were not a home owner and 11.3 per cent of partnered persons who were not a home owner had an increase in their assets by an amount of \$10,000 or more (see Table 24 and Chart 15).

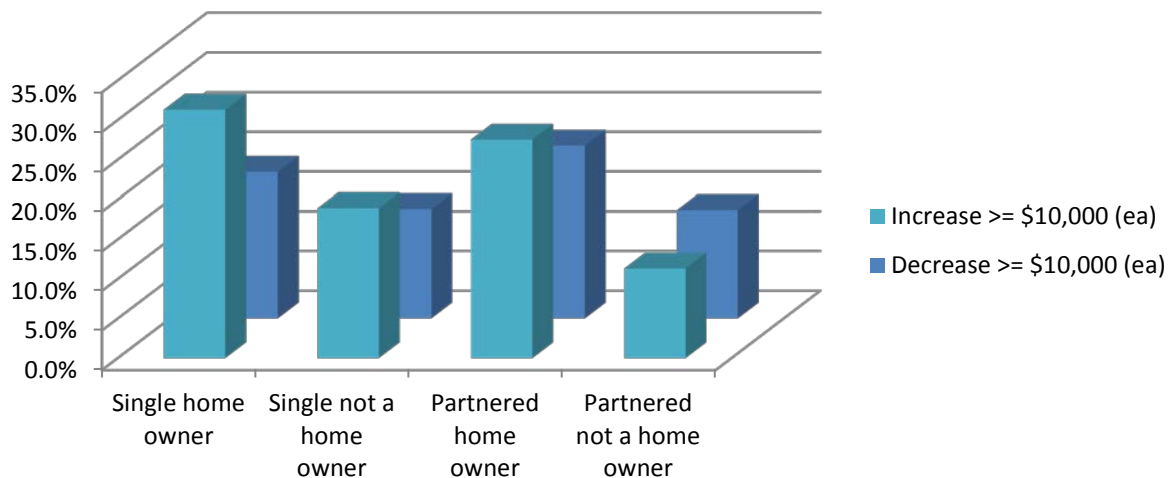
Home owners were also more likely to have a large decrease in their assets than persons who were not home owners. Some 18.5 per cent of single home owners and 21.7 per cent of partnered home owners had a decrease in their assets by \$10,000 or more. In comparison, only 13.8 per cent of singles who were not a home owner and 13.6 per cent of partnered persons who were not a home owner had a decrease in their assets by an amount of \$10,000 or more (see Table 24 and Chart 15).

In overall terms, in the five years before death, single home owners had a net overall increase in assets of an average \$12,885. For partnered persons who were home owners the net overall change was an average increase of \$6,989. For single persons who were not a home owner the net overall change was an average increase of \$2,916, while for partnered persons who were not a home owner, the net overall change was an average decrease of just \$427 (see Table 24).

**Table 24. Persons who died during 2013-14 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by partner status by home ownership status, recipients and average change in assets**

	Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
Recipients						
Single home owner	5,131	2,323	3,902	2,007	3,028	16,391
Single not a home owner	3,632	3,832	6,815	2,276	2,650	19,205
Partnered home owner	6,345	4,039	3,479	4,171	5,009	23,043
Partnered not a home owner	502	975	1,373	972	604	4,426
Persons	15,610	11,169	15,569	9,426	11,291	63,065
Average change in assets (ea)						
Single home owner	\$70,930	\$4,122	\$0	-\$4,058	-\$50,916	\$12,885
Single not a home owner	\$56,778	\$3,739	\$0	-\$3,599	-\$59,004	\$2,916
Partnered home owner	\$53,748	\$3,929	\$0	-\$4,031	-\$35,744	\$6,989
Partnered not a home owner	\$39,711	\$2,990	\$0	-\$3,353	-\$35,560	-\$427
Persons	\$59,649	\$3,822	\$0	-\$3,863	-\$45,262	\$6,761

**Chart 15. Persons who died during 2013-14 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by home ownership**



Similar to the earlier group, persons with larger amounts of assets five years before their death were more likely to have changes of \$10,000 or more in the value of their assets (both increases and decreases) than persons with smaller amounts of assets (see Table 25).

Some 19.2 per cent of persons with under \$50,000 in assets five years before their death had an increase of \$10,000 or more in their level of assets. This proportion increased to 26.4 per cent in the group who had assets between \$50,000 and under \$100,000, 33.8 per cent in the group who had assets between \$100,000 and under \$150,000, 39.8 per cent in the group who had between \$150,000 and under \$200,000 and 43.2 per cent in the group who had between \$200,000 and under \$250,000 (see Table 25 and Chart 16).

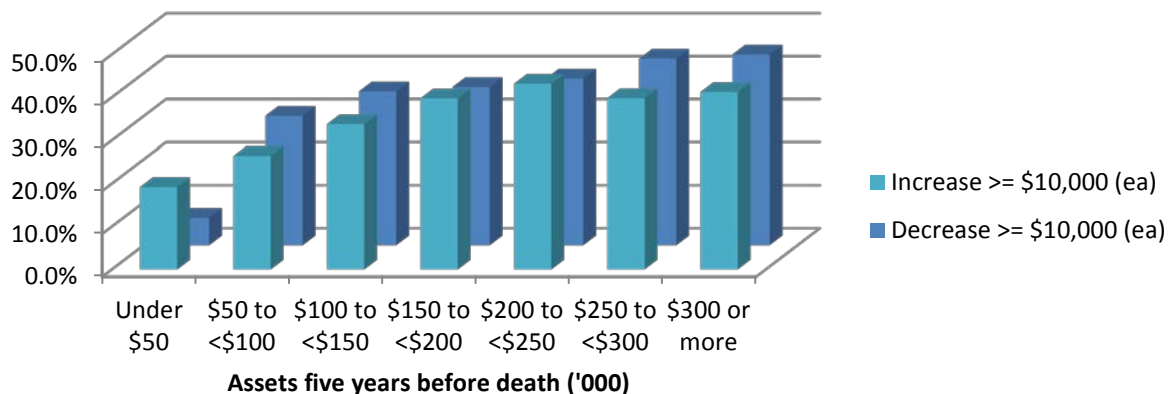
Similarly, persons with more assets five years before their death were more likely to have a reduction in their assets holdings than persons with lower initial levels of assets. Only 6.4 per cent of persons with under \$50,000 in assets five years before their death had a decrease in their assets by \$10,000 or more. This proportion jumped to 30.1 per cent in the group with assets between \$50,000 and under \$100,000, 35.7 per cent in the group with \$100,000 and under \$150,000, 36.7 per cent in the group with initial assets of between \$150,000 and under \$200,000, 38.7 per cent in the group with between \$200,000 and under \$250,000 and 43.4 per cent in the group with assets between \$250,000 and \$300,000.

In the group with under \$50,000 in assets five years before death, the overall net change in the five years was an average increase of \$9,586. In the group with assets between \$50,000 and under \$100,000 the overall net change was an average increase of \$5,878, those with assets between \$100,000 and under \$150,000 had a net average increase of \$4,567, those with assets between \$150,000 and under \$200,000 had a net average increase of \$5,673 and still an overall net increase of \$1,422 in the group with assets between \$200,000 and \$250,000. In the group with assets between \$250,000 and \$300,000 the net overall change was an average decrease in assets of \$5,316 and for those with \$300,000 or more it was an average decrease of \$22,277 (see Table 25).

**Table 25. Persons who died during 2013-14 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by ranged assets five years before death, recipients and average change in assets**

	Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
Recipients						
<b>Under \$50,000</b>	7,139	7,994	13,394	6,296	2,362	37,185
<b>\$50,000 to &lt;\$100,000</b>	3,048	1,791	1,487	1,743	3,467	11,536
<b>\$100,000 to &lt;\$150,000</b>	2,093	735	390	768	2,215	6,201
<b>\$150,000 to &lt;\$200,000</b>	1,284	326	136	297	1,186	3,229
<b>\$200,000 to &lt;\$250,000</b>	817	134	76	133	733	1,893
<b>\$250,000 to &lt;\$300,000</b>	471	73	49	77	513	1,183
<b>\$300,000 or more</b>	758	116	37	112	815	1,838
<b>Persons</b>	15,610	11,169	15,569	9,426	11,291	63,065
Average change in assets (ea)						
<b>Under \$50,000</b>	\$55,148	\$3,606	\$0	-\$3,538	-\$18,543	\$9,586
<b>\$50,000 to &lt;\$100,000</b>	\$56,862	\$4,201	\$0	-\$4,514	-\$30,334	\$5,878
<b>\$100,000 to &lt;\$150,000</b>	\$59,453	\$4,433	\$0	-\$4,456	-\$43,318	\$4,567
<b>\$150,000 to &lt;\$200,000</b>	\$67,338	\$4,486	\$0	-\$4,725	-\$57,508	\$5,673
<b>\$200,000 to &lt;\$250,000</b>	\$68,741	\$5,048	\$0	-\$4,805	-\$72,999	\$1,422
<b>\$250,000 to &lt;\$300,000</b>	\$84,008	\$5,104	\$0	-\$4,267	-\$89,475	-\$5,316
<b>\$300,000 or more</b>	\$75,832	\$4,914	\$0	-\$4,217	-\$120,888	-\$22,277
<b>Persons</b>	\$59,649	\$3,822	\$0	-\$3,863	-\$45,262	\$6,761

**Chart 16. Persons who died during 2013-14 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by ranged assets five years before death**





In the total group of recipients, five year before their death 40,298 (63.9%) recipients were receiving the maximum rate 18,648 (29.6%) recipients were receiving a part-rate income reduced payment and 4,119 (6.5%) recipients were receiving a part-rate assets reduced payment.

Of the 40,298 persons who were receiving the maximum rate five years before their death, 95.2 per cent were also receiving maximum rate at the time of their death, 3.3 per cent switched to receiving a part-rate income reduced rate and 1.5 per cent switched to receiving a part-rate assets reduced rate. Some 20.2 per cent of recipients who were receiving maximum rate five years before their death had an increase in the value of their assets by \$10,000 or more, while 11.9 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were maximum rate recipients five years before their death, the net overall change in the value of assets was an average increase of \$8,142. Those who remained at the maximum rate of payment over the five years had a net overall change in assets of an average increase of \$2,345, those who moved to a part-rate income reduced rate had an average increase of \$86,145, while those who moved to a part-rate assets reduced rate had an average increase of \$204,852 (see Table 26).

In comparison, of the 18,648 persons who were receiving a part-rate income reduced rate five years before their death, 64.3 per cent were also receiving a part-rate income reduced rate at the time of their death, 30.4 per cent switched to receiving maximum rate and 5.3 per cent switched to receiving a part-rate assets reduced rate. Some 30.7 per cent of recipients who were receiving a part-rate income reduced rate five years before their death had an increase in the value of their assets by \$10,000 or more, while 26.0 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were part-rate income reduced rate recipients five years before their death, the net overall change in the value of assets was an average increase of \$5,639. Those who remained on a part-rate income reduced rate of payment over the five years had a net overall change in assets of an average increase of \$9,664, those who moved to a maximum rate had an average decrease of \$20,862, while those who moved to a part-rate assets reduced rate had an average increase of \$109,515 (see Table 26).

Finally, of the 4,119 persons who were receiving a part-rate assets reduced rate five years before their death, 69.8 per cent were also receiving a part-rate assets reduced rate at the time of their death, 13.6 per cent switched to receiving maximum rate and 16.6 per cent switched to receiving a part-rate income reduced rate. Some 42.2 per cent of recipients who were receiving a part-rate assets reduced rate five years before their death had an increase in the value of their assets by \$10,000 or more, while a similar 40.2 per cent had a decrease in the value of their assets of \$10,000 or more. In this group who were part-rate assets reduced rate recipients five years before their death, the net overall change in the value of assets was an average decrease of \$1,680. Those who remained on a part-rate assets reduced rate of payment over the five years had a net overall change in assets of an average increase of \$28,393, those who moved to a maximum rate had an average decrease of \$92,526, while those who moved to a part-rate income reduced rate had an average decrease of \$53,884 (see Table 26).

**Table 26. Persons who died during 2013-14 who had received Age Pension at death and five years earlier, unchanged partner status and home ownership status: change in assets summary by means test applied five years before death by means test applied at death, recipients and average change in assets**

		Increase ≥ \$10,000 (ea)	Increase < \$10,000 (ea)	Exactly the same amount	Decrease < \$10,000 (ea)	Decrease ≥ \$10,000 (ea)	Total
Means test applied five years before death	Means test applied at time of death	Recipients					
Maximum rate	Maximum rate	6,497	7,901	13,249	6,019	4,700	38,366
	Part rate income test	1,048	80	45	63	92	1,328
	Part rate assets test	604	0	0	0	0	604
	<b>Total</b>	<b>8,149</b>	<b>7,981</b>	<b>13,294</b>	<b>6,082</b>	<b>4,792</b>	<b>40,298</b>
Part rate income test	Maximum rate	642	898	792	1,031	2,311	5,674
	Part rate income test	4,209	1,903	1,415	1,976	2,488	11,991
	Part rate assets test	870	37	3	27	46	983
	<b>Total</b>	<b>5,721</b>	<b>2,838</b>	<b>2,210</b>	<b>3,034</b>	<b>4,845</b>	<b>18,648</b>
Part rate assets test	Maximum rate	8	33	9	42	467	559
	Part rate income test	109	55	14	63	443	684
	Part rate assets test	1,623	262	42	205	744	2,876
	<b>Total</b>	<b>1,740</b>	<b>350</b>	<b>65</b>	<b>310</b>	<b>1,654</b>	<b>4,119</b>
<b>Total</b>	Maximum rate	7,147	8,832	14,050	7,092	7,478	44,599
	Part rate income test	5,366	2,038	1,474	2,102	3,023	14,003
	Part rate assets test	3,097	299	45	232	790	4,463
	<b>Total</b>	<b>15,610</b>	<b>11,169</b>	<b>15,569</b>	<b>9,426</b>	<b>11,291</b>	<b>63,065</b>
		Average change in assets (ea)					
Maximum rate	Maximum rate	\$32,952	\$3,675	\$0	-\$3,773	-\$27,752	\$2,345
	Part rate income test	\$112,648	\$4,580	\$0	-\$4,291	-\$40,765	\$86,145
	Part rate assets test	\$204,852	-	-	-	-	\$204,852
	<b>Total</b>	<b>\$55,943</b>	<b>\$3,685</b>	<b>\$0</b>	<b>-\$3,779</b>	<b>-\$28,002</b>	<b>\$8,142</b>
Part rate income test	Maximum rate	\$26,995	\$3,796	\$0	-\$4,084	-\$58,373	-\$20,862
	Part rate income test	\$53,329	\$4,210	\$0	-\$3,884	-\$43,779	\$9,664
	Part rate assets test	\$126,144	\$5,292	\$0	-\$3,922	-\$47,444	\$109,515
	<b>Total</b>	<b>\$61,447</b>	<b>\$4,093</b>	<b>\$0</b>	<b>-\$3,952</b>	<b>-\$50,775</b>	<b>\$5,639</b>
Part rate assets test	Maximum rate	\$14,711	\$3,765	\$0	-\$5,474	-\$110,780	-\$92,526
	Part rate income test	\$42,483	\$3,883	\$0	-\$4,646	-\$93,472	-\$53,884
	Part rate assets test	\$73,298	\$5,070	\$0	-\$4,462	-\$50,696	\$28,393
	<b>Total</b>	<b>\$71,099</b>	<b>\$4,760</b>	<b>\$0</b>	<b>-\$4,636</b>	<b>-\$79,118</b>	<b>-\$1,680</b>
<b>Total</b>	Maximum rate	\$32,397	\$3,688	\$0	-\$3,828	-\$42,400	-\$1,796
	Part rate income test	\$64,694	\$4,216	\$0	-\$3,919	-\$50,970	\$13,813
	Part rate assets test	\$113,800	\$5,097	\$0	-\$4,399	-\$50,507	\$70,142
	<b>Total</b>	<b>\$59,649</b>	<b>\$3,822</b>	<b>\$0</b>	<b>-\$3,863</b>	<b>-\$45,262</b>	<b>\$6,761</b>