

Senate Finance and Public Administration Standing Committee

SUPPLEMENTARY BUDGET ESTIMATES – 20 October 2009 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Reporting employment income while receiving Age Pension

Question reference number: HS59

Senator: Siewert

Type of question: *Written*

Date set by the committee for the return of answer: 4 December 2009

Number of pages: 1

Question:

Is it true that despite pensioners being told that no one would be worse off under the new rules, that pensioners who happen to be seasonal workers will, in fact, be worse off if they receive a lump sum payment at the end of their engagement? This group includes the many pensioners who help to supervise Higher School Certificate and university exams each year. If a pensioner couple get 12 or 14 days work, they may end up with a joint earnings that total nearly \$3,000.

Under the old rules, they were permitted to earn that one-off payment without penalty. Yet a Centrelink supervisor advised that under the new rules, which purport "to provide an incentive for senior workers to be in the workforce", pensioners who receive such a large, albeit one-off, lump sum payment will have their next fortnightly joint pension payment cancelled.

According to the information provided, casual workers, including pensioners who help to conduct exams, who often have to wait a month or six weeks to be paid, must report their anticipated earnings at the end of the fortnight in which they earned that money. This is irrespective of the fact that pensioners may have their pensions cancelled for at least a fortnight because of those anticipated earnings. So unless they have savings, they will find themselves with nothing to live on for several weeks.

Could you please confirm if this is the case and if so how these Pensioners are better off?

Answer:

As this question relates to a matter of policy, Centrelink suggests that the Senator direct this question to the Department of Families, Housing, Community Services and Indigenous Affairs.