

Commonwealth Seniors Health Card

December 2024

Commonwealth Seniors Health Card

The Commonwealth Seniors Health Card (CSHC) is a federal government concession for self-funded retirees, allowing access to cheaper health care and other discounts. The card is income tested and valid for a 2 year period once granted.

Commonwealth Seniors Health Card (CSHC)

For people who don't qualify for the Age Pension and are self-funded, it may appear that there is limited support for expenses incurred during retirement years. However, individuals that are classified as 'low-income' can access certain concessions under the CSHC. The CSHC can provide:

- Cheaper medicine under the Pharmaceutical Benefits Scheme
- Bulk billed doctor visits (if applicable) and reduced medical costs
- Lower costs related to bills, rates and health care outgoings (according to where you reside)

The CSHC does not utilise a specific 'assets' test. Income limits apply, with these limits subject to increase each year on 20 September in line with the Consumer Price Index.

To meet eligibility requirements for the CSHC, an individual must not be receiving a government pension, or a benefit or income support supplement from the DVA, and:

- Have reached Age Pension qualification age (or pension age for veterans who have qualifying service)
- Meet the residency rules
- Meet an income test

Income Test

To pass the CSHC income test (as at 20 September 2024), you must be assessed as 'earning' no more than:

- \$99,025 a year if you're single
- \$158,440 a year for a couple
- \$198,050 a year combined for couples separated by illness

The income test is determined by the sum of an individual's Adjusted Taxable Income (ATI) and a deemed amount from account based income streams (unless grandfathering rules apply). ATI may include different types of income, including taxable income, foreign income, reportable fringe benefits, reportable super contributions and net investment losses.

Deeming is a system used to assess income from financial assets (e.g. managed funds and superannuation), because the income generated by these assets is not always simple to calculate.

If you're a member of a couple, you need to report the combined income (even if your partner isn't eligible to apply).

It is important to note that a one-off 'spike' in income (such as a realised capital gain) can impact the income test result. Similarly, income flowing from inherited investment assets can be captured under the assessment.

Deemed Income against Superannuation Pensions

It is common for retirees to administer a large portion of their wealth within account based pensions, which the government considers as part of the income test. An account based income stream is purchased with superannuation money. As outlined above, deeming assumes that financial investments are earning a certain rate of income (excluding grandfathered account based pensions).

The following table summarises the deeming rates and thresholds.

Deeming Rates and Thresholds	
Single:	Rate
Up to \$62,600	0.25%
Above \$62,600	2.25%
Couple:	Rate
Up to \$103,800	0.25%
Above \$103,800	2.25%
Non-pensioner Couple:	Rate
Up to \$51,900	0.25%
Above \$51,900	2.25%

How to Apply

The CSHC is not automatically issued – an application is required. Applications can be submitted online via myGov, by completing a paper based form or by phoning the relevant Centrelink line.

As an important initial step, an individual will need to prove their identity before claiming a payment or service. A Centrelink Customer Reference Number (CRN) can be established to satisfy this process, either online, over the phone or in person at a service centre.

Income is determined by considering a 'reference tax year'. Therefore, new applicants can utilise figures and notices from the financial year immediately prior, or from 2 years prior. Where a change to income levels from the reference tax year can be demonstrated, an estimate of this may be supplied on the CSHC application for consideration.

Copyright and Distribution

The material contained in this communication (and all attachments) is prepared for the exclusive use of clients of Euroz Hartleys Limited (ACN 104 195 057) ("Euroz Hartleys") only. Euroz Hartleys is the holder of an Australian Financial Services Licence (AFSL 230052) issued by the Australian Securities and Investments Commission ("ASIC") and is a participant of the Australian Securities Exchange Group ("ASX Group").

The information contained herein is confidential and may be legally privileged. If you are not the intended recipient no confidentiality is lost nor privilege waived by your receipt of it. Please delete and destroy all copies, and contact Euroz Hartleys on (+618) 9268 2888. You should not use, copy, disclose or distribute this information without the express written authority of Euroz Hartleys.

Disclosures & Disclaimers

Euroz Hartleys and its associates declare that they deal in securities as part of their securities business and consequently may have a relevant interest in the securities recommended herein (if any). This may include providing equity capital market services to their issuing company, hold a position in the securities, acting as principal or agent, or make a market therein and as such may effect transactions not consistent with the recommendation (if any) in this report.

Euroz Hartleys declares that it may have acted as an underwriter, arranger, co-arranger or advisor in equity capital raisings, and will have received a fee for its services, for any company mentioned within this report during the last 12 months.

Euroz Hartleys Limited advises that any advice, statement of opinion, or recommendation contained in this document is provided by way of unsolicited general information only and has been prepared without taking account of your investment objectives, financial situation or particular needs.

You should not act on any recommendation issued by Euroz Hartleys without first consulting your investment advisor in order to ascertain whether the recommendation (if any) is appropriate, having regard to your investment objectives, financial situation and particular needs. Nothing in this report shall be construed as a solicitation to buy or sell a security, or to engage in or refrain from engaging in any transaction.

Euroz Hartleys believes that the information and advice contained herein is correct at the time of compilation, however we make no representation or warranty that it is accurate, complete, reliable or up to date, nor do we accept any obligation to correct or update the opinions in it.

The opinions expressed are subject to change without notice. No member of Euroz Hartleys accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this material. We cannot guarantee that the integrity of this communication has been maintained, is free from errors, virus interception or interference.

EUROZ HARTLEYS

info@eurozhartleys.com
+61 8 9268 2888
www.eurozhartleys.com

Euroz Hartleys Limited
ACN 104 195 057
AFSL 230052