

REVEALED TO YOU

EXEMPTED ASSETS

AGE PENSION CALCULATION



SOURCED FROM DHS

Exempt Assets – Age Pension Calculation

According to Department of Human Services (DHS), Exempt assets include:

- your principal home and surrounding land up to 2 hectares on the same title
- some properties larger than 2 hectares on the same title – read more about rural customers and primary producers
- your principal home, if you vacate it for up to 12 months
- granny flat rights where you pay more than the extra allowable amount
- principal home sale proceeds you'll use to buy another home within 12 months – we deem the exempted amount and include it in the income test
- any property or money left to you in an estate, which you can't get for up to 12 months
- accommodation bonds paid on entry to a residential aged care facility
- some income streams depending on when you purchased them
- Australian superannuation investments from which a pension is not being paid – this exemption is valid until you reach Age Pension age
- a cemetery plot and a prepaid funeral, or up to 2 funeral bonds, that cost no more than the allowable limit
- aids for people with disability
- money from the National Disability Insurance Scheme for people with disability
- a Special Disability Trust, if it meets certain requirements

If you enter an aged care facility, we don't assess your former principal home if you're:

- paying or are liable for an accommodation charge,
- renting out your former home, and
- entered an aged care facility before 1 January 2017

We will **not assess** any interest you have in the following items as long as **you or your partner didn't create them**:

- life interest
- reversionary interest
- remainder interest, or
- contingent interest

We also may **not assess most compensation or insurance payments** for loss or damage to buildings or personal items.

About the Author

Guruh Sridewa has spent the last 12 years helping families navigate mean-test rules for both pension and aged care calculations. Often, families think they know what income & assets test are, until they really do their homework and research deeper, only to realise there are so many types of income and assets and depending on what you own, when you invested, or will own, the mean-test outcomes can be thousands of dollars apart. We've followed through the changes on rules and are very familiar with them. As a result, families who've invested to put themselves ahead (legally) have reaped their harvests, worth thousands to tens-of-thousands of dollars.

What Our Client Say

Guruh is a wealth of knowledge. He has made a complex, difficult process stress free for our family. The main consideration for my family has been ensuring my mother-in law has great quality of life, learnt from Guruh that what you do in regards to structuring financials can make all the difference. Kind, caring, patient and extremely knowledgeable are words I would use. I would highly recommend Guruh. Thanks

Lorraine Sinclair

Next Step

Now that you know the list of exempt assets, would you like to know how much money each of these can help you save?

Contact us

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