

Curiously Quiet benefits for retirees

The federal government has just made being a retiree a little less financially challenging, with a raft of curiously quiet changes.

According to Adelaide based financial strategist Theo Marinis, the '**Downsizer Contribution**' opportunity has been relatively well known and understood. Homeowners over 65 who have owned the house for a decade and downsize can put up to \$300,000 extra into their super. Around 6,000 Australians have already taken advantage of this,' he said.

'In addition, the Government has extended its involvement in the reverse mortgage market by funding, at a discount to market, the '**New Pension Loan Scheme**' (**NPLS**) under this scheme Centrelink will pay up to an additional 50% of the maximum pension [approx. \$17,000 pa over and above the normal maximum couple age pension] by securing a loan against the family home.

At around 4% interest, it is one of the best deals in town for older Australians wanting to improve their financial quality of life. I estimate a couple could increase their income to approx. \$51,000 pa (in TOTAL Centrelink Age pension payments) for a much more comfortable retirement income than the basic \$34,000 pa in Age pension benefit for a couple.

'And now we have '**LATEIS**'!

'From 1 July 2019, the government has changed its means testing rules for lifetime income streams, or to use the technical terms, '*Asset-tested income stream (lifetime)*' or '*Lifetime Asset Test Exempt Income Stream (LATEIS)*'.

'Lifetime income stream which started on or after 1 July 2019 by an age pensioner will now see just 60% of income assessed, with just 60% of any investment counted as an asset until age 84 (or for a minimum of five years). After this time only 30% will be counted as an asset.

'Individually or together, these changes can make a real difference to a retiree's financial wellbeing.

'Those Baby Boomers who missed the super bandwagon, or started contributing later in their careers, are now able to get a raft of benefits which will help them considerably.

People who have some assets and want to get the most from their pension should make an appointment with their Centrelink FIS officer and ask about **Downsizing**, the **New Pension Loans Scheme** and **LATEIS**,' Theo Marinis said.

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