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Is your retiree client eligible for a Centrelink concession card?

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Retirees have access to a range of concession cards, and some are able to access more than one card at the same time. These cards offer a variety of concessions to the card holder. Benefits can include medicines being available at a lower cost under the Pharmaceutical Benefits Scheme or access to subsidised hearing devices.

This article:

- outlines the eligibility and portability rules for the Pensioner Concession Card (PCC), Low Income Health Care Card (LIHCC) and the Commonwealth Seniors Health Card (CHSC); and
- compares the benefits available with each of them.

Eligibility

Broadly, a PCC is issued to pensioners, a LIHCC to those on lower income regardless of age and a CHSC to those above age pension age and does not qualify for any social security pension.

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These cards are issued by Centrelink/Department of Veteran Affairs (DVA) based on the eligibility criteria as explained in Table 1 below.

Table 1: Eligibility criteria issued by Centrelink/Department of Veteran Affairs

Criteria	Pensioner Concession Card	Low Income Health Care Card	Commonwealth Seniors Health Card
Basic eligibility	<p>Is automatically issued to recipients of a social security pension¹. For example, to individuals receiving age pension, disability support pension or carer payment.</p> <p>Can also be received by:</p> <ul style="list-style-type: none"> • individuals age 60 or over who receives a social security payment¹ and has been in continuous receipt of the payment for at least 39 weeks; • recipients of Newstart allowance, Parenting Payment or Youth Allowance and these recipients have partial capacity to work²; or • Department of Veterans' Affairs service pensioners and income support supplement recipients. <p>Meet residency rules³</p>	<p>Meet residency rules³</p>	<p>Age 60 or over for a veteran with qualifying service, or Age Pension age or over;</p> <p>Do not qualify for a social security pension¹ or benefit¹; or</p> <p>DVA service pension or income support supplement.</p> <p>Meet residency rules³</p>

A Pensioner Concession Card is automatically issued to recipients of a social security pension¹. For example, to individuals receiving age pension, disability support pension or carer payment.

1 See appendix for qualifying payments.

2 Someone who has a physical, intellectual or psychiatric impairment that prevents them from working for at least 30 hours a week at the minimum wage or above within the next two years.

3 Broadly, needs to reside in Australia and either be an Australian citizen or is a permanent visa holder or Special Category visa (SCV) holder who is a protected SCV holder. For more information refer to the residency rules explained in the guide to social security law.

Criteria	Pensioner Concession Card	Low Income Health Care Card	Commonwealth Seniors Health Card
Means test applicable	Eligibility dependant on accessing a social security payment listed above, unless holding a non-means tested card due to the 1 January 2017 assets test changes (see section below)	Income test applies ⁴ No assets test	Income test applies unless holding a non-means tested card due to the 1 January 2017 assets test changes (see section below) No assets test
Assessable income and assets	Income and assets tests based on qualifying payment	Income that will be assessed includes: <ul style="list-style-type: none"> • Ordinary income⁵; • Social security pension⁶; • Social security benefit⁶ ; • Pension or an income support supplement payable⁷ ; • New Enterprise Incentive Scheme; • Payment of compensation⁸; • Payment of Defence Force Income Support Allowance⁷; and • Lump sum payments – redundancy, leave, or termination payments. 	Income that will be assessed includes: <ul style="list-style-type: none"> • adjusted taxable income⁶; and • deemed income from account-based pensions⁹.

4 Gross income is assessed using the average assessable weekly income for eight weeks before the date on which the claim is submitted.

5 For social security purposes.

6 See appendix for definition.

7 Under Veterans Entitlement Act 1986.

8 As defined in section 17 of the Social Security Act 1991.

9 Excludes pensions commenced before 1 January 2015 that meets the eligibility for grandfathering rules.

Criteria	Pensioner Concession Card	Low Income Health Care Card	Commonwealth Seniors Health Card
Means test thresholds	Thresholds only applicable to payments with which the PCC is issued. There are no separate thresholds to be eligible for PCC	Weekly income ^{10,11} should be less than: <ul style="list-style-type: none"> • \$564 (single, no children); • \$974 (couple combined, no children); • \$974 (single, one dependent¹² child); • \$1,008 (couple combined, one dependent child); and • \$34 added for each additional dependent child. 	Annual income ¹⁰ should be less than: <ul style="list-style-type: none"> • \$55,808 (singles); • \$89,290 (couples); and • \$111,616 (illness separated).
May also be eligible for	LIHCC	PCC or CHSC	LIHCC

Means test cut-off limits for the concession cards

The following tables outline the various income and asset cut-off thresholds for the concession cards. Note, that means tests differ across all the three concession cards.

Pensioner Concession card

Table 2 below lists the upper income and assets test thresholds beyond which an individual loses their pension and as a result their PCC. Different cut-off thresholds apply to PCC recipients receiving an allowance.

Table 2: Upper income and assets test thresholds

	Income limit (p.a.) ¹⁰	Asset limit ¹⁰
Single Homeowner	\$53,060.80	\$574,500
Couple Homeowner	\$81,172	\$863,500
Single Non-homeowner	\$53,060.80	\$785,000
Couple Non-homeowner	\$81,172	\$1,074,000

Low Income Health Care Card

Unlike PCC, the assessment for LIHCC is only based on income test. Table 3 below includes the income limit and the level of financial assets beyond which an individual;

- does not initially qualify for the LIHCC; and
- cannot maintain the LIHCC.

¹⁰ Current threshold as at 20 September 2019.

¹¹ To retain the card, the weekly income should be less than 125% of the above thresholds.

¹² Generally, under age 16, however the definition can vary based on circumstances. See 1.1.D.70 in the Guide to Social Security Law.

Table 3: The income limit and the level of financial assets for the LIHCC

	Income limit to apply (p.a.)¹⁰	Asset limit to apply	Income limit to retain (p.a.)¹⁰	Asset limit to retain
Single	\$29,328	\$1,012,133	\$36,660	\$1,256,533
Couple	\$50,648	\$1,745,733	\$63,310	\$2,167,800

Assumptions: The figures are for singles and couples with no dependants. All assets are subject to deeming.

Commonwealth Seniors Health card

Although the CSHC is based solely on income test like LIHCC, the definition of income differs significantly. The income assessed for CHSC is based on adjusted taxable income and deemed income from account-based pensions.

Table 4 below shows the income limit beyond which an individual is not eligible to receive or loses their CHSC. The right most column also shows the level of assets on which the calculated income (the column on the far right) equates to the income limit depicted below.

Table 4: Income limit beyond which an individual is not eligible to receive or loses their CHSC

	Income limit (p.a.)¹⁰	Asset limit
Single	\$55,808	\$2,642,200
Couple	\$89,290	\$4,150,700

Assumptions: Assets includes account-based pension of \$400,000 for singles and \$800,000 for couples. The remaining assets earn a taxable income of 2%.

Although the CSHC is based solely on income test like LIHCC, the definition of income differs significantly. The income assessed for CHSC is based on adjusted taxable income and deemed income from account-based pensions.

Benefits

Table 5 below explains the common concessions available in all states. Generally, the PCC offers the most benefits.

State, territory and local governments may provide additional concessions to card holders like concessional fares on public transport, discounted property and utility rates or discount on motor vehicle registration charges. These differ from state to state. For more detailed information on the benefits, please refer to the article '[How much is a pensioner concession card worth](#)'.

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¹⁰ Current threshold as at 20 September 2019.

Table 5: Common concessions available in all states

Criteria	Pensioner Concession Card	Low Income Health Care Card	Commonwealth Seniors Health Card
Discounted rate on medicines listed under the Pharmaceutical Benefits Scheme	✓	✓	✓
Bulk Billing for doctors' appointments ¹³	✓	✓	✓
Discounted out-of-hospital medical expenses above the concessional threshold of the Medicare Safety Net	✓	✓	✓
Access to subsidised hearing services program ¹⁴	✓	✗	✗
Discounts on certain services provided by Australia Post, e.g. mail re-direction	✓	✓	✓

Note: Individuals can get a digital copy of their health or concession card on their smart device by downloading the Express Plus Centrelink mobile app.

Renewal

The rules differ based on time frame and process when it comes to renewal of these cards. These are outlined in Table 6 below.

Table 6: Renewal of cards

Criteria	Pensioner Concession Card	Low Income Health Care Card	Commonwealth Seniors Health Card
Time frame for renewal	Two years ¹⁵	One year	One year
When to renew	Automatically renewed on the individual's birthday after two years. Individual does not need to apply for the renewal.	Individual needs to apply for renewal after a year.	Automatically renewed each August. Individual does not need to apply for the renewal. ¹⁶

¹³ The Government provides financial incentives for GPs to bulk-bill concession cardholders and is dependent on the discretion of the doctor.

¹⁴ Includes free hearing test, subsidised hearing aids, maintenance of hearing aids and ongoing support from qualified professionals.

¹⁵ Generally, if the payment due to which the client receives the PCC is stopped, the card will be cancelled.

¹⁶ Continuing eligibility is checked when Centrelink and the Australian Taxation Office (ATO) match records twice a year.

Portability

A person leaving Australia permanently should have their concession card cancelled immediately upon departure. If the recipients depart Australia temporarily, their cards are generally cancelled after a set period. This period is the 'non-cancellation' period.

Recipients must notify Centrelink about their departure and if known, their expected return date before leaving Australia. After returning, recipients must notify Centrelink of their date of arrival to ensure their concession entitlement continues. Table 7 outlines when cards are cancelled when travelling outside Australia.

Table 7: Cancellation of cards when travelling outside Australia

Criteria	Pensioner Concession Card	Low Income Health Care Card	Commonwealth Seniors Health Card
Travel outside Australia	<p>The card is cancelled when the recipient:</p> <ul style="list-style-type: none"> is temporarily absent from Australia for longer than six weeks; or permanently departs Australia. 	<p>The card is cancelled when the recipient:</p> <ul style="list-style-type: none"> is temporarily absent from Australia for longer than six weeks; or permanently departs Australia. 	<p>The card is cancelled when the recipient:</p> <ul style="list-style-type: none"> is temporarily absent from Australia for longer than 19 weeks; or permanently departs Australia.

A person leaving Australia permanently should have their concession card cancelled immediately upon departure. If the recipients depart Australia temporarily, their cards are generally cancelled after a set period.

Non-means tested cards

On 1 January 2017 when changes were made to the pension assets test, some individuals lost their pension and their PCC. As a result, Centrelink issued a non-means tested LIHCC to those who were under pension age or CHSC to those who were pension age and over. However, on 9 October 2017, they reinstated the PCC those who were impacted.

When the non-means tested PCC was reinstated, the non-means tested LIHC was cancelled. However, those that were issued the non-means tested CHSC were allowed to retain the card in order to continue receiving the energy supplement.

Recipients who hold the non-means tested CHSC and the PCC do not need to meet any income test rules. They will receive these cards indefinitely irrespective of the change in their income or assets. However, these recipients may lose the card temporarily if they depart Australia for a time frame that exceeds the non-cancellation period. On return to Australia, their cards will be re-instated.

Notification for change of circumstances

The cardholders have a responsibility to inform Centrelink if there is any change in their personal, business or financial circumstances. If there is a change, they have an obligation to notify Centrelink within 14 days of the change.

Appendix

Definitions

Social security pension includes:

- DVA Service Pension and income support supplement;
- Age Pension;
- Disability Support Pension;
- Wife Pension;
- Carer Payment (other than for the short-term care of a child);
- Parenting Payment (single);
- Bereavement Allowance; and
- Widow B Pension.

Social security payment includes:

- Newstart Allowance;
- Partners allowance;
- Widow Allowance;
- Benefit PP (Partnered); and
- Sickness Allowance.

Social security benefit includes:

- Newstart Allowance;
- Youth Allowance;
- Partner Allowance;
- Austudy Payment;
- Widow Allowance;
- Benefit PP (partnered);
- Sickness Allowance;
- Mature Age Allowance under Part 2.12B;
- Special Benefit; and
- Parenting Allowance (other than non-benefit allowance).

Adjusted taxable income for the purposes of the CSHC income test includes:

- taxable income, disregarding the individual's assessable First Home Super Savers (FHSS) scheme released amount (within the meaning of the Income Tax Assessment Act 1997) for that year;
- total net investment loss for the applicable tax year;
- target foreign income for the applicable tax year;
- employer provided fringe benefits for the applicable tax year; and
- reportable superannuation contributions, including income that is salary sacrificed to superannuation.

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