



**Family and Community Services and
Veterans' Affairs Legislation
Amendment (Further Assistance for
Older Australians) Act 2001**

No. 42, 2001



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**An Act to amend the *Social Security Act 1991* and
the *Veterans' Entitlements Act 1986*, and for related
purposes**

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An Act to amend the *Social Security Act 1991* and the *Veterans' Entitlements Act 1986*, and for related purposes

[Assented to 25 May 2001]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Family and Community Services and Veterans' Affairs Legislation Amendment (Further Assistance for Older Australians) Act 2001*.

2 Commencement

- (1) This Act (other than Schedule 2) commences on 1 July 2001.
- (2) Schedule 2 commences on 1 September 2001.

3 Schedule(s)

Subject to section 2, each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Beneficial treatment of superannuation assets for people aged between 55 and pension age

Social Security Act 1991

1 Subsection 8(1) (definition of *income*)

Omit “, (7A)”.

2 Subsections 8(7A) and (7B)

Repeal the subsections (including the notes).

3 After paragraph 8(8)(a)

Insert:

- (b) any return on a person’s investment in:
 - (i) a superannuation fund; or
 - (ii) an approved deposit fund; or
 - (iii) a deferred annuity; or
 - (iv) an ATO small superannuation account;until the person:
 - (v) reaches pension age; or
 - (vi) starts to receive a pension or annuity out of the fund;

4 Paragraph 9(1B)(d) (note)

Omit “by persons who are neither prescribed pre-pension age persons nor persons who have reached pension age”, substitute “before pension age is reached”.

5 Paragraph 9(1B)(e) (note)

Omit “by persons who are neither prescribed pre-pension age persons nor persons who have reached pension age”, substitute “before pension age is reached”.

6 Paragraph 9(1B)(f) (note)

Omit “by persons who are neither prescribed pre-pension age persons nor persons who have reached pension age”, substitute “before pension age is reached”.

7 Paragraph 9(1B)(g) (note)

Omit “by persons who are neither prescribed pre-pension age persons nor persons who have reached pension age”, substitute “before pension age is reached”.

8 Paragraph 9(1C)(a)

Omit “is not a prescribed pre-pension age person and has not yet turned”, substitute “has not yet reached”.

9 Paragraph 9(1C)(b)

Omit “is not a prescribed pre-pension age person and has not yet turned”, substitute “has not yet reached”.

10 Paragraph 9(1C)(c)

Omit “is not a prescribed pre-pension age person and has not yet turned”, substitute “has not yet reached”.

11 Paragraph 9(1C)(ca)

Omit “is not a prescribed pre-pension age person and has not yet turned”, substitute “has not yet reached”.

12 Subsection 9(1C) (note 1)

Repeal the note.

13 Subsection 23(1) (definition of *prescribed pre-pension age person*)

Repeal the definition.

14 Paragraph 1096(aa)

Omit “is not a prescribed pre-pension age person and has not reached pension age”, substitute “has not turned 55”.

15 Section 1096 (notes)

Repeal the notes.

16 At the end of section 1096

Add:

- (2) However, if the person turns 55 before the end of the period of 12 months, this section does not apply to the person in relation to:
 - (a) the week, during that period, in which the person turns 55;
and
 - (b) any later weeks during that period.

17 After paragraph 1118(1)(e)

Insert:

- (f) the value of the person's investment in:
 - (i) a superannuation fund; or
 - (ii) an approved deposit fund; or
 - (iii) a deferred annuity; or
 - (iv) an ATO small superannuation account;until the person:
 - (v) reaches pension age; or
 - (vi) starts to receive a pension or annuity out of the fund;

18 Section 1118A

Repeal the section (including the note).

Schedule 2—Extension of telephone allowance to holders of seniors health cards

Social Security Act 1991

1 After subsection 1061Q(4)

Insert:

(4A) A person is qualified for a telephone allowance if:

(a) either:

- (i) the person is the holder of a seniors health card; or
- (ii) the person is temporarily absent from Australia for a continuous period not exceeding 26 weeks and was the holder of a seniors health card immediately before leaving Australia; and

(b) the person is a telephone subscriber.

2 Subsection 1061S(1) (cell at table item 2, column 2)

Repeal the cell, substitute:

Partnered (partner getting neither social security pension nor social security benefit), partner not holder of a seniors health card and person getting pension or benefit before 12 March 1992

3 Subsection 1061S(1) (cell at table item 3, column 2)

Repeal the cell, substitute:

Partnered (partner getting neither social security pension nor social security benefit), partner not holder of a seniors health card and person not getting pension or benefit before 12 March 1992

4 Subsection 1061S(1) (cell at table item 4, column 2)

Repeal the cell, substitute:

Either:

- (a) partnered (partner getting pension or benefit); or
 - (b) partnered and partner is a holder of a seniors health card;
- and partner not getting telephone allowance

5 Subsection 1061S(1) (cell at table item 5, column 2)

Repeal the cell, substitute:

Either:

- (a) partnered (partner getting pension or benefit); or
 - (b) partnered and partner is a holder of a seniors health card;
- and partner getting telephone allowance

6 After subsection 1061S(3)

Insert:

- (3A) For the purposes of working out a person's rate of telephone allowance under subsection (1), the person's partner is taken to be the holder of a seniors health card if the partner:
- (a) is temporarily absent from Australia for a continuous period not exceeding 26 weeks; and
 - (b) was the holder of a seniors health card immediately before leaving Australia.

Social Security (Administration) Act 1999

7 Subsection 48(4)

Repeal the subsection and insert:

- (4) In this section:

telephone allowance payday means:

- (a) for a person who is qualified for telephone allowance otherwise than under subsection 1061Q(4A)—the first day on which an instalment of a social security periodic payment would normally be paid to the person on or after any of the following:
 - (i) 1 January;
 - (ii) 20 March;
 - (iii) 1 July;
 - (iv) 20 September; and
- (b) for a person who is qualified for telephone allowance under subsection 1061Q(4A)—any of the following:
 - (i) 1 January;
 - (ii) 20 March;
 - (iii) 1 July;
 - (iv) 20 September;or the first working day after that day if that day is not a working day.

working day means a day other than:

- (a) a Saturday; or
- (b) a Sunday; or
- (c) a day that is a public holiday or bank holiday in Canberra or Sydney.

Veterans' Entitlements Act 1986

8 After subsection 118Q(3)

Insert:

(3AA) A person is eligible for a telephone allowance if:

- (a) either:
 - (i) the person is the holder of a seniors health card; or
 - (ii) the person is absent from Australia and was the holder of a seniors health card immediately before leaving Australia; and
- (b) the person is a telephone subscriber.

9 Subsection 118S(1)

Omit “and (3)”, substitute “, (3) and (4)”.

10 At the end of section 118S

Add:

- (4) The rate of telephone allowance for a person is half the amount of the rate specified in subsection (1) if:
 - (a) the person is the holder of a seniors health card; and
 - (b) the person is a member of a couple; and
 - (c) the person’s partner is receiving a telephone allowance under:
 - (i) this Act; or
 - (ii) the Social Security Act; and
 - (d) the person is living with the person’s partner in the same home.

Schedule 3—Increase in income limits for seniors health card

Social Security Act 1991

1 Point 1071-12 (table)

Repeal the table (including the notes), substitute:

Seniors Health Card Taxable Income Limit Table			
Column 1 Item	Column 2 Person's family situation	Column 3 Amount per year	Column 4 Additional dependent child Amount per year
1	Not member of couple	\$50,000	\$639.60
2	Partnered	\$40,000	\$639.60
3	Member of illness separated couple	\$50,000	\$639.60
4	Member of respite care couple	\$50,000	\$639.60
5	Partnered (partner in gaol)	\$50,000	\$639.60

Veterans' Entitlements Act 1986

2 Point 118ZAA-11 (table)

Repeal the table, substitute:

Seniors Health Card Taxable Income Limit Table			
Column 1 Item	Column 2 Person's family situation	Column 3 Amount per year	Column 4 Additional dependent child Amount per year
1	Not member of couple	\$50,000	\$639.60
2	Partnered	\$40,000	\$639.60
3	Member of illness separated couple	\$50,000	\$639.60
4	Member of respite care couple	\$50,000	\$639.60

Note 1: For *member of couple* and *partnered*, see section 5E.

Note 2: For *illness separated couple* and *respite care couple*, see section 5R.

Note 3: For *dependent child*, see section 5F.

[Minister's second reading speech made in—
House of Representatives on 22 May 2001
Senate on 23 May 2001]

(81/01)