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Commonwealth of Australia

HOUSE OF REPRESENTATIVES

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**Social Services Legislation Amendment
(Workforce Incentive) Bill 2022**

No. , 2022

(Social Services)

**A Bill for an Act to amend the law relating to social
security and veterans' entitlements, and for related
purposes**

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A Bill for an Act to amend the law relating to social security and veterans' entitlements, and for related purposes

The Parliament of Australia enacts:

1 Short title

This Act is the *Social Services Legislation Amendment (Workforce Incentive) Act 2022*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedules 1 and 2	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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—Suspension of benefits and entitlements instead of cancellation

Part 1—Social security amendments

Social Security (Administration) Act 1999

1 After section 95C

Insert:

95D Age pension—suspension instead of cancellation under section 93 or 94

Application

- (1) This section applies if:
- (a) age pension ceases to be payable to a person because the rate of the person's pension is nil; and
 - (b) the rate of the person's pension is nil because of the occurrence of an event or change of circumstances (the *income-related event*) that results in the person's income reduced rate (see subsection (2)) being nil; and
 - (c) the person is required to inform the Department of the income-related event within a specified period (the *notification period*) because of a notice given to the person under subsection 68(2); and
 - (d) but for the person's income reduced rate being nil, age pension would have continued to be payable to the person; and
 - (e) the person's pension is to be, or has been, cancelled under section 93 or 94 because the pension ceased to be payable for the reason mentioned in paragraph (b); and
 - (f) at the time of the cessation, the person's ordinary income (as used to work out the person's income reduced rate) includes income for remunerative work performed by the person in Australia as an employee in an employer/employee relationship.

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- (2) For the purposes of subsection (1), a person's *income reduced rate* is the rate worked out at step 8 of the method statement in point 1064-A1 in Module A of Pension Rate Calculator A.

Suspension determination—event notified within notification period

- (3) If:
- (a) the person informs the Department of the income-related event within the notification period; and
 - (b) the person's pension has not yet been cancelled under section 93;
- the Secretary may determine that:
- (c) section 93 does not apply to cancel the person's pension; and
 - (d) the person's pension is suspended for a period of 2 years with effect from the day the pension would otherwise have ceased to be payable under section 93.

- (4) If:
- (a) the person informs the Department of the income-related event within the notification period; and
 - (b) the person's pension has been cancelled under section 93; and
 - (c) within the period of 2 years after the cancellation, the ordinary income of the person is of an amount that would not preclude the person from receiving age pension;
- the Secretary may determine that:
- (d) the person is to be treated as if section 93 had not applied to cancel the person's pension; and
 - (e) the person's pension is suspended for a period of 2 years with effect from the day the pension had ceased to be payable under section 93.

Suspension determination—event not notified within notification period

- (5) If:
- (a) the person does not inform the Department of the income-related event within the notification period; and

- (b) the person's pension has been cancelled under section 94;
and
- (c) the Department subsequently becomes aware of the
income-related event; and
- (d) within the period of 2 years and 14 days after the
cancellation, the ordinary income of the person is of an
amount that would not preclude the person from receiving
age pension;

the Secretary may determine that:

- (e) the person is to be treated as if section 94 had not applied to
cancel the person's pension; and
- (f) the person's pension is suspended for a period of 2 years and
14 days with effect from the day the pension had ceased to be
payable under section 94.

Residency requirement

- (6) The Secretary must not make a determination under subsection (3),
(4) or (5) unless the Secretary is satisfied that the person is residing
in Australia.

Resumption of age pension after suspension

- (7) If:
 - (a) the Secretary suspends a person's age pension under
subsection (3), (4) or (5); and
 - (b) within the period the suspension is in effect, the Secretary
reconsiders the decision to suspend; and
 - (c) as a result of the reconsideration, the Secretary is satisfied
that:
 - (i) the person did not receive age pension that was payable
to the person; or
 - (ii) the person is not receiving age pension that is payable to
the person;

the Secretary is to determine that age pension was or is payable to
the person, as the case requires.

- (8) The reconsideration referred to in paragraph (7)(b) may be a
reconsideration on an application under section 129 or a
reconsideration on the Secretary's own initiative.

- (9) A determination that age pension was or is payable to the person under subsection (7) takes effect:
- (a) if the person applied for reconsideration under section 129—on the day the application was made; or
 - (b) in any other case—on the day the Secretary starts to reconsider the decision to suspend.

Cancellation of age pension after period of suspension

- (10) If:
- (a) the Secretary suspends a person's age pension for a period under subsection (3), (4) or (5); and
 - (b) the suspension continues in effect throughout the period;
- then, at the end of the period, the determination granting the person age pension is, by force of this subsection, revoked.

2 At the end of paragraphs 96(1)(d) and (3)(d)

Add “with effect from the day the pension would otherwise have ceased to be payable under section 93”.

3 Paragraph 96(3A)(c)

Repeal the paragraph, substitute:

- (c) as a result of the reconsideration, the Secretary is satisfied that:
 - (i) the person did not receive disability support pension that was payable to the person; or
 - (ii) the person is not receiving disability support pension that is payable to the person;

4 Subsection 96(3A)

Omit “is payable to the person”, substitute “was or is payable to the person, as the case requires”.

5 After subsection 96(3B)

Insert:

- (3C) A determination that disability support pension was or is payable to the person under subsection (3A) takes effect:

- (a) if the person applied for reconsideration under section 129—
on the day the application was made; or
- (b) in any other case—on the day the Secretary starts to
reconsider the decision to suspend.

6 At the end of subsection 96(6)

Add “for the period of the suspension of the person’s disability support pension”.

7 At the end of paragraph 97(1)(e)

Add “with effect from the day the pension had ceased to be payable under section 93”.

8 At the end of subsection 97(2)

Add “for the period of the suspension of the person’s disability support pension”.

9 At the end of paragraph 97(3)(d)

Add “with effect from the day the pension had ceased to be payable under section 93”.

10 At the end of subsection 97(4)

Add “for the period of the suspension of the person’s disability support pension”.

11 Paragraph 97A(6)(c)

Repeal the paragraph, substitute:

- (c) as a result of the reconsideration, the Secretary is satisfied that:
 - (i) the person did not receive disability support pension that was payable to the person; or
 - (ii) the person is not receiving disability support pension that is payable to the person;

12 Subsection 97A(6)

Omit “is payable to the person”, substitute “was or is payable to the person, as the case requires”.

13 At the end of section 97A

Add:

- (8) A determination that disability support pension was or is payable to the person under subsection (6) takes effect:
 - (a) if the person applied for reconsideration under section 129—on the day the application was made; or
 - (b) in any other case—on the day the Secretary starts to reconsider the decision to suspend.

14 Paragraph 97B(5)(c)

Repeal the paragraph, substitute:

- (c) as a result of the reconsideration, the Secretary is satisfied that:
 - (i) the person did not receive disability support pension that was payable to the person; or
 - (ii) the person is not receiving disability support pension that is payable to the person;

15 Subsection 97B(5)

Omit “is payable to the person”, substitute “was or is payable to the person, as the case requires”.

16 At the end of section 97B

Add:

- (7) A determination that disability support pension was or is payable to the person under subsection (5) takes effect:
 - (a) if the person applied for reconsideration under section 129—on the day the application was made; or
 - (b) in any other case—on the day the Secretary starts to reconsider the decision to suspend.

17 After section 97B

Insert:

**97C Age pension, disability support pension and carer payment—
suspension instead of cancellation under section 93 or 94
(partners)**

Application

- (1) This section applies if:
- (a) one of the following determinations (a *suspension determination*) is made in relation to a person who is a member of a couple:
 - (i) a determination under subsection 95D(3), (4) or (5) suspending the person's age pension because the pension ceased to be payable to the person;
 - (ii) a determination under subsection 96(1), 97(1), 97A(1) or 97A(2) suspending the person's disability support pension because the person ceased to be qualified for the pension;
 - (iii) a determination under subsection 96(3), 97(3) or 97B(1) suspending the person's disability support pension because the pension ceased to be payable to the person;
 - (iv) a determination under subsection 56ED(3), (4) or (5) of the Veterans' Entitlements Act suspending the person's age service pension, invalidity service pension, income support supplement or veteran payment because the pension, supplement or payment ceased to be payable to the person; and
 - (b) immediately before the suspension under the suspension determination, the person's partner was receiving an age pension, disability support pension or carer payment; and
 - (c) the partner's pension or payment ceases to be payable to the partner because the rate of the partner's pension or payment is nil; and
 - (d) the partner's cessation of payability occurs:
 - (i) at the same time as the person's cessation of payability or qualification that gave rise to the person's suspension determination; and
 - (ii) because of the occurrence of the same event or change of circumstances that resulted in the person's cessation of payability or qualification; and
-

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- (e) because of the partner's cessation of payability, the partner's pension or payment is to be, or has been, cancelled under section 93 or 94.

Note: For suspensions when a person's partner has been receiving service pension, income support supplement or veteran payment, see section 56EE of the Veterans' Entitlements Act.

Partner suspension determination

- (2) The Secretary may determine that:
 - (a) the partner is to be treated as if section 93 or 94 does not apply or had not applied (as the case may be) to cancel the partner's pension or payment; and
 - (b) the partner's pension or payment is suspended with effect from the day the pension or payment would otherwise have ceased to be payable under section 93 or 94, for a period of:
 - (i) if section 94 would otherwise have applied—2 years and 14 days; or
 - (ii) in all other cases—2 years.

Resumption of partner's pension or payment after suspension

- (3) If:
 - (a) the Secretary suspends the partner's pension or payment under subsection (2); and
 - (b) within the period the suspension is in effect, the Secretary reconsiders the decision to suspend; and
 - (c) as a result of the reconsideration, the Secretary is satisfied that:
 - (i) the partner did not receive pension or payment that was payable to the partner; or
 - (ii) the partner is not receiving pension or payment that is payable to the partner;

the Secretary is to determine that pension or payment was or is payable to the partner, as the case requires.
- (4) The reconsideration referred to in paragraph (3)(b) may be a reconsideration on an application under section 129 or a reconsideration on the Secretary's own initiative.

- (5) A determination that pension or payment was or is payable to the partner under subsection (3) takes effect:
- (a) if the partner applied for reconsideration under section 129—on the day the application was made; or
 - (b) in any other case—on the day the Secretary starts to reconsider the decision to suspend.

Cancellation of partner's pension or payment after period of suspension

- (6) If:
- (a) the Secretary suspends the partner's pension or payment for a period under subsection (2); and
 - (b) the suspension continues in effect throughout the period;
- then, at the end of the period, the determination granting the partner pension or payment is, by force of this subsection, revoked.

Partner ceasing to be member of couple

- (7) To avoid doubt, subsections (3) to (6) apply to the partner even if the partner ceases to be a member of the couple after the Secretary suspends the partner's pension or payment under subsection (2).

18 Application provisions

Amendments relating to suspension of age pension

- (1) Section 95D of the *Social Security (Administration) Act 1999*, as inserted by this Part, applies in relation to:
- (a) age pension ceasing to be payable on or after the commencement of this Part (whether the pension first became payable before, on or after that commencement); and
 - (b) age pension ceasing to be payable during the period of 12 weeks ending immediately before the commencement of this Part.

Amendments relating to suspension of disability support pension

- (2) The amendments of subsections 96(1), (3) and (6) of the *Social Security (Administration) Act 1999* made by this Part apply in relation to a

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determination made under those subsections on or after the commencement of this Part.

- (3) The amendments of subsection 96(3A) of the *Social Security (Administration) Act 1999* made by this Part apply in relation to a determination made under subsection 96(1) or (3) of that Act before, on or after the commencement of this Part.
- (4) Subsection 96(3C) of the *Social Security (Administration) Act 1999*, as inserted by this Part, applies in relation to a determination made under subsection 96(3A) of that Act on or after the commencement of this Part.
- (5) The amendments of subsections 97(1), (2), (3) and (4) of the *Social Security (Administration) Act 1999* made by this Part apply in relation to a determination made under those subsections on or after the commencement of this Part.
- (6) The amendments of subsection 97A(6) of the *Social Security (Administration) Act 1999* made by this Part apply in relation to a determination made under subsection 97A(1) or (2) of that Act before, on or after the commencement of this Part.
- (7) Subsection 97A(8) of the *Social Security (Administration) Act 1999*, as added by this Part, applies in relation to a determination made under subsection 97A(6) of that Act on or after the commencement of this Part.
- (8) The amendments of subsection 97B(5) of the *Social Security (Administration) Act 1999* made by this Part apply in relation to a determination made under subsection 97B(1) of that Act before, on or after the commencement of this Part.
- (9) Subsection 97B(7) of the *Social Security (Administration) Act 1999*, as added by this Part, applies in relation to a determination made under subsection 97B(5) of that Act on or after the commencement of this Part.

Amendments relating to suspension of partner's pensions

- (10) Section 97C of the *Social Security (Administration) Act 1999*, as inserted by this Part, applies in relation to:

- (a) age pension, disability support pension or carer payment ceasing to be payable on or after the commencement of this Part (whether the pension or payment first became payable before, on or after that commencement); and
- (b) age pension, disability support pension or carer payment ceasing to be payable during the period of 12 weeks ending immediately before the commencement of this Part.

Part 2—Veterans' entitlements amendments

Veterans' Entitlements Act 1986

19 Subsection 56(2) (note)

Repeal the note, substitute:

Note: In some circumstances, the Commission may decide that the pension, supplement or payment is not cancelled but suspended (see sections 56ED and 56EE).

20 Subsection 56A(2) (note)

Repeal the note, substitute:

Note: In some circumstances, the Commission may decide that the pension, supplement or payment is not cancelled but suspended (see sections 56ED and 56EE).

21 After section 56EC

Insert:

56ED Suspension instead of automatic termination under section 56 or 56A

Application

- (1) This section applies if:
- (a) service pension, income support supplement or veteran payment ceases to be payable to a person because the rate of the person's pension, supplement or payment is nil; and
 - (b) the rate of the person's pension, supplement or payment is nil because of the occurrence of an event or change of circumstances (the *income-related event*) that results in the person's income reduced rate (see subsection (2)) being nil; and
 - (c) the person is required to inform the Department or a specified officer of the income-related event within a specified period (the *notification period*) because of a notice given to the person under section 54; and

- (d) but for the person's income reduced rate being nil, the pension, supplement or payment would have continued to be payable to the person; and
- (e) the person's pension, supplement or payment is to be, or has been, cancelled under section 56 or 56A because the pension, supplement or payment ceased to be payable for the reason mentioned in paragraph (b); and
- (f) at the time of the cessation, the person's ordinary income (as used to work out the person's income reduced rate) includes income for remunerative work performed by the person in Australia as an employee in an employer/employee relationship.

Note: When a person's pension or supplement ceases to be payable in the circumstances set out in this subsection, the person will generally continue to be eligible for fringe benefits for up to 2 years (see subsection 53A(3)).

- (2) For the purposes of subsection (1), a person's ***income reduced rate***, in relation to a service pension, income support supplement or veteran payment, is the rate worked out in relation to that pension, supplement or payment at step 6 of method statement 1, step 6 of method statement 5 or step 6 of method statement 7, as the case may be, in Module A of the Rate Calculator.

Suspension determination—event notified within notification period

- (3) If:
 - (a) the person informs the Department or specified officer of the income-related event within the notification period; and
 - (b) the person's pension, supplement or payment has not yet been cancelled under section 56;the Commission may determine in writing that:
 - (c) section 56 does not apply to cancel the person's pension, supplement or payment; and
 - (d) the person's pension, supplement or payment is suspended.
- (4) If:
 - (a) the person informs the Department or specified officer of the income-related event within the notification period; and

(b) the person's pension, supplement or payment has been cancelled under section 56;

the Commission may determine in writing that:

(c) the person is to be treated as if section 56 had not applied to cancel the person's pension, supplement or payment; and

(d) the person's pension, supplement or payment is suspended.

Suspension determination—event not notified within notification period

(5) If:

(a) the person does not inform the Department or specified officer of the income-related event within the notification period; and

(b) the person's pension, supplement or payment has been cancelled under section 56A; and

(c) the Department subsequently becomes aware of the income-related event;

the Commission may determine in writing that:

(d) the person is to be treated as if section 56A had not applied to cancel the person's pension, supplement or payment; and

(e) the person's pension, supplement or payment is suspended.

Rules for suspension determinations

(6) The Commission must not make a determination under subsection (3), (4) or (5) unless the Commission is satisfied that the person is residing in Australia.

(7) A determination under subsection (3), (4) or (5) takes effect on the day on which, but for the determination, the person's pension, supplement or payment would be cancelled under section 56 or 56A.

Cancellation of pension, supplement or payment after 2 years

(8) If:

(a) the Commission makes a determination suspending a person's pension, supplement or payment under subsection (3), (4) or (5); and

- (b) the determination continues in effect throughout the period of 2 years from its date of effect;
- then, at the end of the period:
- (c) the suspension ends; and
 - (d) the pension, supplement or payment is cancelled.

Note: The Commission may end a suspension if satisfied that a person's pension, supplement or payment is payable to the person (see section 56F).

56EE Suspension instead of automatic termination under section 56 or 56A—partners

Application

- (1) This section applies if:
 - (a) one of the following determinations (a ***suspension determination***) is made in relation to a person who is a member of a couple:
 - (i) a determination under subsection 56ED(3), (4) or (5) suspending the person's service pension, income support supplement or veteran payment because the pension, supplement or payment ceased to be payable to the person;
 - (ii) a determination under subsection 95D(3), (4) or (5) of the *Social Security (Administration) Act 1999* suspending the person's age pension because the pension ceased to be payable to the person;
 - (iii) a determination under subsection 96(1), 97(1), 97A(1) or 97A(2) of the *Social Security (Administration) Act 1999* suspending the person's disability support pension because the person ceased to be qualified for the pension;
 - (iv) a determination under subsection 96(3), 97(3) or 97B(1) of the *Social Security (Administration) Act 1999* suspending the person's disability support pension because the pension ceased to be payable to the person; and

- (b) immediately before the suspension under the suspension determination, the person's partner was receiving a service pension, income support supplement or veteran payment; and
- (c) the partner's pension, supplement or payment ceases to be payable to the partner because the rate of the partner's pension, supplement or payment is nil; and
- (d) the partner's cessation of payability occurs:
 - (i) at the same time as the person's cessation of payability or qualification that gave rise to the person's suspension determination; and
 - (ii) because of the occurrence of the same event or change of circumstances that resulted in the person's cessation of payability or qualification; and
- (e) because of the partner's cessation of payability, the partner's pension, supplement or payment is to be, or has been, cancelled under section 56 or 56A.

Note: For suspensions when a person's partner has been receiving age pension, disability support pension or carer payment, see section 97C of the *Social Security (Administration) Act 1999*.

Partner suspension determination

- (2) The Commission may determine in writing that:
 - (a) the partner is to be treated as if section 56 or 56A does not apply or had not applied (as the case may be) to cancel the partner's pension, supplement or payment; and
 - (b) the partner's pension, supplement or payment is suspended.

Note: When a partner's pension or supplement ceases to be payable in the circumstances set out in subsection (1), the partner will generally continue to be eligible for fringe benefits for up to 2 years (see subsection 53A(5)).

- (3) However, subsection (2) does not apply if:
 - (a) the suspension determination referred to in paragraph (1)(a) suspended the person's partner service pension; and
 - (b) the partner was receiving income support supplement or veteran payment.

When suspension determinations take effect

- (4) A determination under subsection (2) takes effect on the day on which, but for the determination, the partner's pension, supplement or payment would be cancelled under section 56 or 56A.

Cancellation of partner's pension, supplement or payment after 2 years

- (5) If:
- (a) the Commission makes a determination suspending the partner's pension, supplement or payment under subsection (2); and
 - (b) the determination continues in effect throughout the period of 2 years from its date of effect;
- then, at the end of the period:
- (c) the suspension ends; and
 - (d) the pension, supplement or payment is cancelled.

Note: The Commission may end a suspension if satisfied that the partner's pension, supplement or payment is payable to the partner (see section 56F).

Partner ceasing to be member of couple

- (6) To avoid doubt, subsection (5) applies to the partner even if the partner ceases to be a member of the couple after the making of a determination under subsection (2).

22 Paragraph 56F(a)

Omit "or 56EB", substitute ", 56EB, 56ED or 56EE".

23 Paragraph 56M(2)(b)

Repeal the paragraph, substitute:

- (b) ending when the suspension ends:
 - (i) under a determination of the Commission (under section 56F or 56L); or
 - (ii) because of the operation of subsection 56ED(8) or 56EE(5).

24 After paragraph 57(2)(b)

Insert:

- (ba) making, or refusing to make, a determination that a service pension, income support supplement or a veteran payment be suspended instead of cancelled under section 56ED or 56EE;
or

25 Application provision

Sections 56ED and 56EE of the *Veterans' Entitlements Act 1986*, as inserted by this Part, apply in relation to:

- (a) service pension, income support supplement or veteran payment ceasing to be payable on or after the commencement of this Part (whether the pension, supplement or payment first became payable before, on or after that commencement);
and
- (b) service pension, income support supplement or veteran payment ceasing to be payable during the period of 12 weeks ending immediately before the commencement of this Part.

Schedule 2—Extended qualification for pensioner concession cards

Part 1—Former recipients of age pensions

Social Security Act 1991

1 After section 1061ZC

Insert:

1061ZCA Extended qualification rule: former recipient of age pension and partner

Qualification

- (1) Subject to subsections (8) and (9), a person is qualified for a pensioner concession card for the period of 2 years starting on the day on which this section begins to apply to the person.

Former recipient of age pension with employment income

- (2) Subject to subsection (6), this section applies to a person if:
- (a) the person has been receiving an age pension; and
 - (b) age pension ceases to be payable to the person because the rate of the person's pension is nil; and
 - (c) the rate of the person's pension is nil because of the occurrence of an event or change of circumstances that results in the person's income reduced rate (see subsection (3)) being nil; and
 - (d) but for the person's income reduced rate being nil, the person would have continued to be qualified for a pensioner concession card because age pension would have continued to be payable to the person; and
 - (e) at the time of the cessation, the person's ordinary income (as used to work out the person's income reduced rate) includes income for remunerative work performed by the person in Australia as an employee in an employer/employee relationship.

- (3) For the purposes of subsection (2), a person's *income reduced rate* is the rate worked out at step 8 of the method statement in point 1064-A1 in Module A of Pension Rate Calculator A.

Partner of former recipient of age pension with employment income

- (4) Subject to subsection (6), this section applies to a person who is a member of a couple if:
- (a) the person's partner is qualified for a pensioner concession card under this section because subsection (2) applies to the partner as a result of age pension ceasing to be payable to the partner; and
 - (b) immediately before the partner's cessation of payability, the person was receiving an age pension, disability support pension or carer payment; and
 - (c) the person's pension or payment ceases to be payable to the person because the rate of the person's pension or payment is nil; and
 - (d) the person's cessation of payability occurs:
 - (i) at the same time as the partner's cessation of payability; and
 - (ii) because of the occurrence of the same event or change of circumstances that resulted in the partner's cessation of payability.
- (5) To avoid doubt, if the person ceases to be a member of the couple after the person's cessation of payability, the person's qualification for a pensioner concession card because of subsection (4) is not affected.

Residency requirement

- (6) This section only applies to a person while the person is residing in Australia.

Note: If the person is temporarily absent from Australia, the person continues to be qualified for a pensioner concession card for a maximum period of up to 6 weeks (see Division 4).

- (7) However, this section applies to a person in relation to a day if:
-

- (a) the person is in Australia on that day but not residing in Australia; and
- (b) the age pension, disability support pension or carer payment that the person had been receiving was received solely because of the operation of the scheduled international social security agreement between Australia and New Zealand.

No double qualification—person receiving certain other social security payments

- (8) If, during the period of 2 years referred to in subsection (1), a person receives an instalment of a social security pension that relates to one or more days within that period, the person is not qualified under this section for a pensioner concession card on the day or days in relation to which the person receives the instalment.
- (9) If, during the period of 2 years referred to in subsection (1), a person receives an instalment of:
 - (a) a youth allowance while subsection 1061ZA(2A) applies to the person; or
 - (b) a jobseeker payment while subsection 1061ZA(2B) applies to the person; or
 - (c) a benefit PP (partnered) while subsection 1061ZA(2D) applies to the person;that relates to one or more days within that period, the person is not qualified under this section for a pensioner concession card on the day or days in relation to which the person receives the instalment.

2 Subsection 1061ZEA(1)

Before “1061ZD”, insert “1061ZCA,”.

3 Subparagraph 1061ZUC(1)(a)(i)

After “1061ZC,”, insert “1061ZCA,”.

4 Application provision

Section 1061ZCA of the *Social Security Act 1991*, as inserted by this Part, applies in relation to:

- (a) age pension, disability support pension or carer payment ceasing to be payable on or after the commencement of this

Schedule 2 Extended qualification for pensioner concession cards

Part 1 Former recipients of age pensions

Part (whether the pension or payment first became payable before, on or after that commencement); and

- (b) age pension, disability support pension or carer payment ceasing to be payable during the period of 12 weeks ending immediately before the commencement of this Part.

Part 2—Former recipients of disability support pensions

Social Security Act 1991

5 Section 1061ZD (at the end of the heading)

Add “and partner”.

6 Before subsection 1061ZD(1)

Insert:

Qualification

7 Subsection 1061ZD(1)

Omit “52 weeks”, substitute “2 years”.

8 Before section 1061ZD(2)

Insert:

Former recipient with 30 hours per week employment

9 Before subsection 1061ZD(3)

Insert:

Former recipient with increase in employment income

10 After subsection 1061ZD(3)

Insert:

Partner of former recipient with employment

(3A) Subject to subsection (4), this section applies to a person who is a member of a couple if:

- (a) the person’s partner is qualified for a pensioner concession card under this section because:

- (i) subsection (2) applies to the partner as a result of the partner ceasing to be qualified for disability support pension; or
 - (ii) subsection (3) applies to the partner as a result of disability support pension ceasing to be payable to the partner; and
 - (b) immediately before the partner's cessation of qualification or payability, the person was receiving an age pension, disability support pension or carer payment; and
 - (c) the person's pension or payment ceases to be payable to the person because the rate of the person's pension or payment is nil; and
 - (d) the person's cessation of payability occurs:
 - (i) at the same time as the partner's cessation of qualification or payability; and
 - (ii) because of the occurrence of the same event or change of circumstances that resulted in the partner's cessation of qualification or payability.
- (3B) To avoid doubt, if the person ceases to be a member of the couple after the person's cessation of payability, the person's qualification for a pensioner concession card because of subsection (3A) is not affected.

11 Before subsection 1061ZD(4)

Insert:

Residency requirement

12 Before subsection 1061ZD(5)

Insert:

No double qualification—person receiving certain other social security payments

13 Subsections 1061ZD(5) and (5A)

Omit "52 weeks", substitute "2 years".

14 Before subsection 1061ZD(6)

Insert:

Residency requirement exception—New Zealand agreement

15 Paragraph 1061ZD(6)(b)

Omit “disability support pension”, substitute “age pension, disability support pension or carer payment”.

16 Before subsection 1061ZD(7)

Insert:

No double qualification—person with partial capacity to work

17 Application provisions

(1) The amendments of subsections 1061ZD(1), (5) and (5A) of the *Social Security Act 1991* made by this Part apply in relation to a person who receives a disability support pension on or after the commencement day (whether or not the person was receiving the pension before the commencement day).

(2) If:

(a) on a day during the period:

(i) starting on the day that is 52 weeks before the commencement day; and

(ii) ending on the day before the commencement day; section 1061ZD of the *Social Security Act 1991* (as in force on the relevant day during that period) begins to apply to a person; and

(b) on the day before the commencement day the person is qualified for a pensioner concession card under section 1061ZD or subsection 1061ZA(1), (2A), (2B) or (2D) of the *Social Security Act 1991*;

the amendments to the period a person is qualified for a pensioner concession card under section 1061ZD, as made by this Part, apply in relation to the person.

Schedule 2 Extended qualification for pensioner concession cards

Part 2 Former recipients of disability support pensions

- (3) Subsections 1061ZD(3A) and (3B) of the *Social Security Act 1991*, as inserted by this Part, and the amendment of paragraph 1061ZD(6)(b) of that Act made by this Part, apply in relation to:
- (a) age pension, disability support pension or carer payment ceasing to be payable on or after the commencement day (whether the pension or payment first became payable before, on or after the commencement day); and
 - (b) age pension, disability support pension or carer payment ceasing to be payable during the period of 12 weeks ending immediately before the commencement day.
- (4) In this item:
- commencement day* means the day this Part commences.

Part 3—Former recipients of veterans' entitlements and certain partners

Veterans' Entitlements Act 1986

18 Before subsection 53A(1)

Insert:

General rule

19 Before subsection 53A(1A)

Insert:

Certain persons eligible before 1 January 2017

20 Before subsection 53A(2)

Insert:

*Certain recipients of invalidity service pension who cease to be
permanently incapacitated for work*

21 At the end of section 53A

Add:

Former recipients with employment income

- (3) If:
- (a) a person is receiving service pension or income support supplement; and
 - (b) the pension or supplement ceases to be payable to the person because the rate of the person's pension or supplement is nil; and
 - (c) the rate of the person's pension or supplement is nil because of the occurrence of an event or change of circumstances that results in the person's income reduced rate (see subsection (4)) being nil; and

- (d) but for the person's income reduced rate being nil, the person would have continued to be eligible for fringe benefits because the person would have continued to receive the pension or supplement; and
 - (e) at the time of the cessation, the ordinary income of the person (as used to work out the person's income reduced rate) includes income for remunerative work performed by the person in Australia as an employee in an employer/employee relationship;
- the person remains eligible for fringe benefits for the period of 2 years beginning on the day the pension or supplement ceased to be payable to the person.
- (4) For the purposes of subsection (3), a person's *income reduced rate*, in relation to a service pension or income support supplement, is the rate worked out in relation to that pension or supplement at step 6 of method statement 1 or step 6 of method statement 5, as the case may be, in Module A of the Rate Calculator.

Partners of certain former recipients with employment

- (5) If:
- (a) a person is:
 - (i) eligible for fringe benefits under subsection (3) because the person's pension or supplement ceases to be payable to the person; or
 - (ii) qualified for a pensioner concession card under section 1061ZCA of the Social Security Act because subsection (2) of that section applies to the person as a result of age pension ceasing to be payable to the person; or
 - (iii) qualified for a pensioner concession card under section 1061ZD of the Social Security Act because subsection (2) of that section applies to the person as a result of the person ceasing to be qualified for disability support pension; or
 - (iv) qualified for a pensioner concession card under section 1061ZD of the Social Security Act because subsection (3) of that section applies to the person as a

result of disability support pension ceasing to be payable to the person; and

- (b) immediately before the person's cessation of payability or qualification, the person's partner was receiving service pension or income support supplement; and
- (c) the partner's pension or supplement ceases to be payable to the partner because the rate of the partner's pension or supplement is nil; and
- (d) the partner's cessation of payability occurs:
 - (i) at the same time as the person's cessation of payability or qualification; and
 - (ii) because of the occurrence of the same event or change of circumstances that resulted in the person's cessation of payability or qualification;

the partner remains eligible for fringe benefits for the period of 2 years beginning on the day the pension or supplement ceased to be payable to the partner.

- (6) To avoid doubt, subsection (5) applies to the partner even if the partner ceases to be a member of the couple after the day the pension or supplement ceased to be payable to the partner.

22 At the end of subsection 56(1)

Add:

Note: If a person ceases to receive a service pension or income support supplement, the person's eligibility for benefits under Division 12 will generally cease.

23 At the end of subsection 56A(1)

Add:

Note: If a person ceases to receive a service pension or income support supplement, the person's eligibility for benefits under Division 12 will generally cease.

24 Subsection 56E(1) (note 4)

Omit "also cancelled", substitute "generally cancelled too (but see also sections 56ED and 56EE)".

25 Subsection 56EA(2) (note 3)

Omit “also cancelled”, substitute “generally cancelled too (but see also sections 56ED and 56EE)”.

26 Application provision

Subsections 53A(3), (4), (5) and (6) of the *Veterans' Entitlements Act 1986*, as added by this Part, apply in relation to:

- (a) service pension or income support supplement ceasing to be payable on or after the commencement of this Part (whether the pension or supplement first became payable before, on or after that commencement); and
- (b) service pension or income support supplement ceasing to be payable during the period of 12 weeks ending immediately before the commencement of this Part.

Part 4—Certain partners of former recipients of veterans' entitlements

Social Security Act 1991

27 After section 1061ZDA

Insert:

1061ZDB Extended qualification rule: partner of former recipient of veterans' entitlement

Qualification

- (1) Subject to subsections (6) and (7), a person is qualified for a pensioner concession card for the period of 2 years starting on the day on which this section begins to apply to the person.

Partner of former recipient of veterans' entitlement with employment income

- (2) Subject to subsection (4), this section applies to a person who is a member of a couple if:
- (a) the person's partner is eligible for fringe benefits under subsection 53A(3) of the Veterans' Entitlements Act because the partner's service pension or income support supplement ceases to be payable to the partner; and
 - (b) immediately before the partner's cessation of payability, the person was receiving an age pension, disability support pension or carer payment; and
 - (c) the person's pension or payment ceases to be payable to the person because the rate of the person's pension or payment is nil; and
 - (d) the person's cessation of payability occurs:
 - (i) at the same time as the partner's cessation of payability; and
 - (ii) because of the occurrence of the same event or change of circumstances that resulted in the partner's cessation of payability.

- (3) To avoid doubt, if the person ceases to be a member of the couple after the person's cessation of payability, the person's qualification for a pensioner concession card because of subsection (2) is not affected.

Residency requirement

- (4) This section only applies to a person while the person is residing in Australia.

Note: If the person is temporarily absent from Australia, the person continues to be qualified for a pensioner concession card for a maximum period of up to 6 weeks (see Division 4).

- (5) However, this section applies to a person in relation to a day if:
- (a) the person is in Australia on that day but not residing in Australia; and
 - (b) the pension or payment that the person had been receiving was received solely because of the operation of the scheduled international social security agreement between Australia and New Zealand.

No double qualification—person receiving certain other social security payments

- (6) If, during the period of 2 years referred to in subsection (1), a person receives an instalment of a social security pension that relates to one or more days within that period, the person is not qualified under this section for a pensioner concession card on the day or days in relation to which the person receives the instalment.

- (7) If, during the period of 2 years referred to in subsection (1), a person receives an instalment of:
- (a) a youth allowance while subsection 1061ZA(2A) applies to the person; or
 - (b) a jobseeker payment while subsection 1061ZA(2B) applies to the person; or
 - (c) a benefit PP (partnered) while subsection 1061ZA(2D) applies to the person;

that relates to one or more days within that period, the person is not qualified under this section for a pensioner concession card on the day or days in relation to which the person receives the instalment.

28 Subsection 1061ZEA(1)

After "1061ZDA", insert ", 1061ZDB".

29 Subparagraph 1061ZUC(1)(a)(i)

After "1061ZDA,", insert "1061ZDB,".

30 Application

Section 1061ZDB of the *Social Security Act 1991*, as inserted by this Part, applies in relation to:

- (a) age pension, disability support pension or carer payment ceasing to be payable on or after the commencement of this Part (whether the pension or payment first became payable before, on or after that commencement); and
- (b) age pension, disability support pension or carer payment ceasing to be payable during the period of 12 weeks ending immediately before the commencement of this Part.