



Asset-test Exempt Income Stream (Lifetime Income Stream Guidelines) (Social Security) Determination 2015

I, Finn Pratt, Secretary of the Department of Social Services, make this determination under subsection 9A(6) of the *Social Security Act 1991*.

Dated this 7th day of September 2015

**FINN PRATT AO PSM
SECRETARY
DEPARTMENT OF SOCIAL SERVICES**

Part 1: Preliminary

1.1 Name of determination

This determination is the *Asset-test Exempt Income Stream (Lifetime Income Stream Guidelines) (Social Security) Determination 2015*.

1.2 Commencement

This determination commences on the day after it is registered.

1.3 Revocation

The *Asset-test Exempt Income Stream (Lifetime Income Stream Guidelines) Determination 1998 [F2009C00037]* is revoked.

1.4 Purpose

The purpose of this determination is to set out the guidelines for the exercise of the Secretary's discretion, under subsection 9A(5) of the Act, to determine that a *defined benefit income stream* that does not meet the requirements of subsection 9A(2) of the Act is an asset-test exempt income stream for the purposes of the Act.

1.5 Definitions

In this determination:

Act means the *Social Security Act 1991*.

lifetime income stream, in relation to a person, means an *income stream* in which payments are made, at least annually, throughout the life of the person and, if there is a reversionary beneficiary, throughout the life of the reversionary beneficiary.

private sector fund has the same meaning as in subsection 10(1) of the *Superannuation Industry (Supervision) Act 1993*.

public sector fund has the same meaning as in subsection 10(1) of the *Superannuation Industry (Supervision) Act 1993*.

public sector superannuation scheme has the same meaning as in subsection 10(1) of the *Superannuation Industry (Supervision) Act 1993*.

superannuation fund has the same meaning as in subsection 10(1) of the *Superannuation Industry (Supervision) Act 1993*.

superannuation pension means a pension payable from a *superannuation fund*.

Note The following expressions used in this determination are defined in the Act (see s.9(1), s.9(1F), s.9A and s.23):

- asset-test exempt income stream
- commencement day
- defined benefit income stream
- income stream
- Secretary.

Part 2: Guidelines

2.1 Lifetime income stream under a public sector fund or public sector superannuation scheme

- (1) In making a determination under subsection 9A(5) of the *Act* in relation to an *income stream* arising under a *public sector fund* or a *public sector superannuation scheme*, the *Secretary* must have regard to this section.
- (2) The *income stream* mentioned in (1):
 - (a) must be a *lifetime income stream* that is a *defined benefit income stream*; and
 - (b) must be paid from a *public sector fund* or a *public sector superannuation scheme* that was established before 20 September 1998; and
 - (c) regardless of its *commencement day*, would have been treated as a *superannuation pension* and had its value disregarded in calculating the person's assets under section 1118 of the *Act* as in force immediately before 20 September 1998.

2.2 Lifetime income stream under a private sector fund

- (1) In making a determination under subsection 9A(5) of the *Act* in relation to an *income stream* arising under a *private sector fund*, the *Secretary* must have regard to this section.
- (2) The *income stream* mentioned in (1):
 - (a) must be a *lifetime income stream* that is a *defined benefit income stream*; and
 - (b) must be paid from a *private sector fund* that was established before 20 September 1998; and
 - (c) regardless of its *commencement day*, would have been treated as a *superannuation pension* and had its value disregarded in calculating the person's assets under section 1118 of the *Act* as in force immediately before 20 September 1998.

- (3) The *private sector fund* mentioned in (2)(b) must have a direct connection with the previous employment of the recipient of the *lifetime income stream* or, in the case of a reversionary beneficiary, the person who would be the recipient had they not died.
- (4) For subsection (3), a *private sector fund* has a direct connection with a person's previous employment if the *lifetime income stream* from the *private sector fund* became payable to, or in respect of, the person because of that employment.