

## **Government Stimulus Measure: Reduction in the social security deeming rates**

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### **What is the stimulus/relief?**

A further 0.25% reduction in the deeming rates in addition to the reductions announced in the first stimulus package.

### **What is aimed to do?**

This measure will benefit approximately 900,000 recipients of income support payments, most of which are recipients of the Age Pension.

### **Who is eligible?**

Single pensioners with financial investments up to \$51,800, and couples up to \$86,200 will have the deeming rate reduced to 0.25%.

The upper deeming rate for those with assets over the above limits will decrease to 2.25%.

### **How do I get it?**

These updates to the deeming rates are set to automatically apply from 1 May 2020.

### **Who should use this stimulus/other considerations?**

This initiative is an important development to those in receipt of the Age Pension.

With interest rate reductions by the RBA, and banks continuing to reduce the interest on bank accounts and term deposits, the gap between income from financial investments and deemed income from those investments has been widening.

This measure helps support some of our most vulnerable.

More Info <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/supporting-australian-workers-and-business>

### **Closing comment**

If you are in receipt of an Age Pension, a review of the mix of investments held and the impact on the income deeming should be considered to ensure you can access as much support from the Government as possible.

Should you require further information, would like to discuss in more detail or require a referral to an experienced financial planner, please contact our office.