

Financial support for carers

The Government provides a range of financial support options and extra services for those permanently caring for family or friends. Eligibility rules are complex and vary significantly across payment types. This month, we explore the three most common payments available to our 'carer' clients namely:

- Carer Payment
- Carer Allowance
- Carer Supplement

Carer Payment

Carer Payment is an income support payment for those who give constant care to someone who has a severe disability, illness, or an adult who is frail aged. This payment is calculated using the same income and assets test limits and payment rates as an Age Pension.

The carer and the person being cared for must be Australian residents. Assessment tools are used to establish the need for care and to determine if the care needs will last for at least 6 months or the rest of their life.

Important features of the Carer Payment (@ 1 July 2020)

What is the maximum rate?	Single: \$944.30 pf Couple: \$711.80 pf (rates include pension supplement)
How is it taxed?	Tax free if the care recipient is receiving a tax free payment (eg Disability Support Pension). Taxable once carer/care recipient pension age.
Does a means test apply?	Yes, standard income and assets test for all pension payments.
Will the care recipient's assets/income have an impact?	If the care recipient doesn't receive Government income support, then: <ul style="list-style-type: none">• Income must be less than \$116,189pa• Assets must be less than \$716,750
Can you work and still receive Carer Payment?	Yes, however still must be main carer. Can take up to 25 hours a week away from caring to do: <ul style="list-style-type: none">• paid work• volunteer work• study• training.
Do you have to be living with the care recipient?	No, just have to provide constant care.

Carer Allowance

Carer Allowance is a fortnightly income supplement for parents and carers providing extra daily care for an adult or dependent child with disability or a medical condition or someone who is frail aged. This allowance provides additional help to supplement a client's main income source such as wages, investment income or the Carer Payment.

Important features of the Carer Allowance (@ 1 July 2020)

What is the maximum rate?	Flat rate: \$131.90 pf
How is it taxed?	Tax free
Does a means test apply?	Combined adjusted taxable income must be under \$250,000 a year. No assets test applies.
Will the care recipient's assets/income have an impact?	No
Can you work and still receive Carer Allowance?	Yes. There is no restriction on work hours.
Do you have to be living with the care recipient?	No, just have to provide additional daily care and attention.

Carer Supplement

Carer Supplement is an annual, lump sum payment made in addition to Carer Payment and Carer Allowance to assist carers with the cost of caring for someone with a disability or illness.

The supplement is available if, on 1 July each year, your client is receiving one of the following payments:

- Carer Payment
- Carer Allowance
- DVA Carer Service Pension
- DVA Partner Service Pension and Carer Allowance

Tip: If a carer is receiving more than one of the above benefits, they are eligible for a Carer Supplement in respect of each payment. For example, many clients receive both the Carer Payment and Carer Allowance. In this case, the carer is eligible to 2 x \$600 lump sum supplements.

Important features of the Carer Supplement (@ 1 July 2020)

What is the maximum rate?	\$600 lump sum per year
How is it taxed?	Tax free
Does a means test apply?	No, eligibility based on being in receipt of specific carer benefits on 1 July.
Will the care recipient's assets/income have an impact?	No
Can you receive more than one Supplement each year?	Yes. A Carer Supplement is available for each eligible payment received (eg if you receive Carer Allowance for both your mother and father, two \$600 supplements available).
What happens at pension age if you move from Carer Payment to Age Pension?	The Age Pension is not an eligible payment for Carer Supplement. Retaining a Carer Payment at pension age compared to moving to Age Pension can result in an additional \$600 pa (noting that other pros and cons for Age Pension vs Carer Payment need to be considered). If a client moves to Age Pension, they may still receive a Carer Allowance which provides 1 x \$600 supplement.