

# Social Security – JobSeeker Payment

JobSeeker Payment is a Centrelink payment that provides financial help if you are looking for work. It can also provide support while you do activities that increase your chances of finding a job, such as studying or training.

## How it works

To qualify for JobSeeker Payment, you generally need to be:

- age 22 or older (but under Age Pension age);
- looking for paid work;
- prepared to enter into a Job Plan and meet activity-test requirements (unless an exemption applies); and
- meet the income and assets tests.

You may have to serve some waiting periods before JobSeeker Payment becomes payable, unless an exemption applies. Normally, you will have to serve the Ordinary Waiting period of one week before you can start receiving JobSeeker Payment. You may have to serve additional waiting periods if you have just finished a job (due to the income maintenance period) or you have certain levels of liquid assets (due to the liquid assets waiting period).

Other waiting periods may also apply if you don't meet work tests or move to an area with lower job prospects.

## Job Plan

You need to have a Job Plan in order to get a JobSeeker Payment. Your Job Plan outlines the things you have agreed to do to give you the best chance of getting a job. You will need to negotiate your Job Plan with Centrelink or your Employment Services Provider. It will be reviewed regularly. Activities can include applying for jobs, undertaking a course or other types of study, or working part time. You are required to do the activities listed in your Job Plan in order to keep receiving the payment.

Your activity requirements may be more flexible if you:

- are 55 years or older or
- are a principal carer, or
- have a medical condition

## Residence requirements

The residency requirements generally require you to have been an Australian resident for at least 2 years but some exemptions apply. You must still be an Australian resident living in Australia when you lodge the claim.

## JobSeeker Payment rates

Payment rates increase every 20 March and 20 September. You should refer to Centrelink website at [www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au) for the latest payment rates.

The amount you receive will depend on whether you are single, a member of a couple and/or have dependent children and is means tested. The income and assets tests are used to work out your payment rate. The test resulting in the lowest payment rate will apply.

The amount of JobSeeker Payment is assessable income and taxed at your marginal tax rate. However, you may receive a tax offset which reduces tax payable.

### Assets test

Under the assets test, Centrelink generally uses the net market value of your assets which is the amount the asset can be sold for less any debts that are secured against that asset. All assets owned by you and your spouse are assessed.

This includes most investment assets (such as shares, managed funds and investment properties), plus personal assets such as motor vehicles and home contents. Importantly, your family home is not included in the assets test. Other limited exemptions apply. Special assessment rules also apply if you have any involvement in a family trust or private company. Generally, your superannuation account balance is also exempt from the income and assets testing if it is in accumulation phase (and the account holder has not yet reached their Age Pension age).

The thresholds for the assets test can be found on the following website: [www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au).

If your assets exceed the thresholds that apply to your situation, you will not be entitled to any JobSeeker Payment.

### Income test

Income earned by you or your partner may impact the amount of JobSeeker payment that you're entitled to. This includes income from sources such as:

- employment, including wages, bonuses and fringe benefits
- real estate, such as rent received from an investment property
- financial investments, such as shares or bank accounts (where income is deemed to be earned at set rates, rather than assessing your actual earnings from these sources), and
- Paid Parental Leave payments.

Certain income thresholds apply to calculate the impact of any income you (or your partner) has on your fortnightly entitlements. You'll also need to regularly report your earnings to Centrelink to ensure you're paid the right amount each fortnight, and to avoid receiving an overpayment which will become a debt owed by you to Centrelink.

The thresholds for the income test can be found on the following website: [www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au)

If your income reaches the upper threshold, no JobSeeker Payment is payable.

With some assets, such as a residential investment property, all of the net income (after allowable deductions) is counted under the income test. For other assets, 'deeming' applies.

Under deeming, an interest rate set by the Government is applied to the balance of financial investments to "deem" the amount of income generated. The actual income derived is irrelevant. Financial investments include: bank accounts, shares, managed funds, superannuation held in accumulation after reaching Age Pension age, account-based pensions (unless grandfathered under deductible amount rules) and gifts that exceed the gifting thresholds.

If you have any involvement in a family trust or private company all of the income generated by that entity could be assessed as your income, depending on how the assets are assessed.

## Health Care Card (HCC)

If you are eligible for JobSeeker Payment, you will also be entitled to a Health Care Card (HCC) to help reduce your expenses.

The HCC gives you access to a range of discounted medical services funded by the government including cheaper prescription medicines through the Pharmaceutical Benefits Scheme (PBS) and some public transport discounts. Doctors may also bulk bill.

## Benefits

If you are eligible for the JobSeeker Payment, benefits may include:

- A regular income stream to improve your cash flow.
- Your assets may last longer, because the increased cash flow means you may have less need to draw on your personal investments.
- You will be entitled to a health care card to reduce the cost of some expenses (such as reduced cost medicines).

## Risks, consequences and other important things to consider

These include:

- JobSeeker Payment may be recalculated half-yearly or when your circumstances change.
- JobSeeker Payment is taxable income however you may be entitled to tax offsets that will reduce some or all of the tax payable.
- Payments may be affected if you go overseas for extended periods of time. You should check details with Centrelink before leaving the country.
- You are required to tell Centrelink within 14 days about any change in your circumstances that may affect your payment.

Version: 3.0

Issue date: 01 July 2021

### Important information:

This document has been prepared by Actuate Alliance Services Pty Ltd (ABN 40 083 233 925, AFSL 240959) ('Actuate'), a member of the IOOF ('IOOF') group of companies ('IOOF Group'), for use and distribution by representatives and authorised representatives of Actuate, Godfrey Pembroke Group Pty Limited, Consultum Financial Advisers Pty Ltd, Bridges Financial Services Pty Limited trading as MLC Advice and Australian Financial Services Licensees with whom any IOOF Group member has a commercial services agreement.

Information in this document is of a general nature only and does not take into account your objectives, financial situation or needs. You should seek personal financial, tax, legal and such other advice as necessary or appropriate before relying on the information in this document or making any financial investment, insurance or other decision. If this document is provided to you in conjunction with a Statement of Advice ('SOA'), any personal financial advice relevant to the financial planning concept/strategy referred to in this document will be contained in that SOA.

Information in this document reflects our understanding of relevant regulatory requirements and laws etc as at the date of issue, which may be subject to change. While care has been taken in preparing this document, no liability is accepted by Actuate or any member of the IOOF Group, nor their agents or employees for any loss arising from any reliance on this document.

If any financial product is referred to in this document, you should consider the relevant PDS or other disclosure material before making an investment decision in relation to that financial product.