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MEDIA RELEASE

DEEMING RATE CUTS TO LEAVE 530,000 PENSIONERS WORSE OFF

Around 530,000 pensioners will be worse off as a result of Tony Abbott's decision to cut deeming rate thresholds, according to the Department of Social Services.

Asked in estimates by Labor Senators how many Australian pensioners would be moved onto a lower part pension as a result of the changes to the deeming rate thresholds, the Department answered:

"We estimate that 530,000 customers would have a reduction in payment."

IAN JOYCE, DEPARTMENT OF SOCIAL SERVICES, 23 OCTOBER 2014

Some part pensioners will be thrown off the pension entirely as a result of these deeming threshold cuts.

If Tony Abbott gets his way the deeming thresholds used in the pension income test will be slashed from \$46,600 to \$30,000 for singles and from \$77,400 to \$50,000 for couples.

This is on top of Tony Abbott's plan to cut the indexation of the Age Pension and other pensions, which will leave pensioners around \$80 a week worse off within ten years.

The Abbott Government is waging an unprecedented attack on pensioners.

First it was increasing the pension age to 70.

Then it was cutting the indexation of pensions for more than 3.7 million pensioners.

Now Tony Abbott plans to rip money away from more than 500,000 pensioners by slashing the deeming rate thresholds.

Tony Abbott must stop his relentless attack on Australian pensioners.

Labor will continue to stand up for pensioners by voting against Tony Abbott's unfair Budget that will make Australian pensioners worse off.

Deeming is where financial assets are 'deemed' for the purposes of Pension means testing to earn a certain rate of return, regardless of the actual earnings of the investments.

By cutting the deeming rate thresholds, more of a pensioner's assets are assessed under the pension income test and pushed into a higher deemed income bracket. As a result, affected pensioners receive a lower pension.

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