

Strategy advice: Midwinter's Age Pension module

What is Midwinter's Age Pension module?

Midwinter's *Age Pension* module requires very little up skill, has very few inputs and can quickly determine a client's Age Pension eligibility based on income and assets.

The *Age Pension* module allows the adviser to model:

- Optimal age pension entitlements under the income test. As the level of income you draw down from your account based pension may reduce your pension entitlements, Midwinter's *Age Pension* module will determine automatically the optimal level of draw down,
- All income and asset test scenarios,
- Single / Couple Homeowner / Non Homeowner,
- Age pension, Disability support pension, Carer payment, DVA pension,
- Complying pensions,
- Automatically updates over the internet with the latest pension rates, income and asset test hurdles and deeming rates every time you run *Reasonable Basis*,
- Full statement of advice documentation – creates your reports and output automatically in MS Word.

Why spend time on determine my client's optimal Age Pension?

While financial markets might be all doom and gloom, now is the time for financial planners with pensioner clients to make contact and reassess their eligibility for the Age Pension and other Centrelink benefits.

Certainly a great way of providing some relatively good news in a time when pensioners should be spending more time and money on the grandkids and blue rinses and less on worrying about their fortnightly budget.

Case Study – Reassessing Age Pension eligibility in wake of the global financial crisis Bob, 67 and Jane, 64 are retired. Bob and Jane both have Account Based Pensions (ABP), which have fallen in value dramatically over the past 12 months. In January 2008, the balance of Bob's ABP was \$550,000 and Jane's ABP was \$450,000, with contents of \$50,000 and other financial assets totalling \$25,000.

The couple were in excess of the Age Pension upper threshold for couples of \$998,000 and therefore not eligible for the Age Pension. However, as a result of the global financial crisis Bob's ABP has fallen 40% to \$330,000 and Jane's ABP has lost 35% to \$292,500. The couple now has total assessable assets of \$697,500 and are eligible for an Age Pension of \$264.00 per fortnight (27.94% of the maximum Age Pension).

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To access your free trial of Midwinter's *Reasonable Basis* please click on this link – [Reasonable Basis Free Trial](#) - and call 1300 882 938 for your access code.

This is intended as general advice only and does not have regard to an investor's objectives, financial situation or needs. Before acting, investors should consider the advice in light of their own circumstances. Midwinter Financial Services (Midwinter)

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Justifying
your advice just
got a whole lot
easier with...

 reasonable basis