

# Commonwealth Seniors Health Card

December 2024

## Commonwealth Seniors Health Card

*The Commonwealth Seniors Health Card (CSHC) is a federal government concession for self-funded retirees, allowing access to cheaper health care and other discounts. The card is income tested and valid for a 2 year period once granted.*

### Commonwealth Seniors Health Card (CSHC)

For people who don't qualify for the Age Pension and are self-funded, it may appear that there is limited support for expenses incurred during retirement years. However, individuals that are classified as 'low-income' can access certain concessions under the CSHC. The CSHC can provide:

- Cheaper medicine under the Pharmaceutical Benefits Scheme
- Bulk billed doctor visits (if applicable) and reduced medical costs
- Lower costs related to bills, rates and health care outgoings (according to where you reside)

The CSHC does not utilise a specific 'assets' test. Income limits apply, with these limits subject to increase each year on 20 September in line with the Consumer Price Index.

To meet eligibility requirements for the CSHC, an individual must not be receiving a government pension, or a benefit or income support supplement from the DVA, and:

- Have reached Age Pension qualification age (or pension age for veterans who have qualifying service)
- Meet the residency rules
- Meet an income test

### Income Test

To pass the CSHC income test (as at 20 September 2024), you must be assessed as 'earning' no more than:

- \$99,025 a year if you're single
- \$158,440 a year for a couple
- \$198,050 a year combined for couples separated by illness

The income test is determined by the sum of an individual's Adjusted Taxable Income (ATI) and a deemed amount from account based income streams (unless grandfathering rules apply). ATI may include different types of income, including taxable income, foreign income, reportable fringe benefits, reportable super contributions and net investment losses.

Deeming is a system used to assess income from financial assets (e.g. managed funds and superannuation), because the income generated by these assets is not always simple to calculate.

If you're a member of a couple, you need to report the combined income (even if your partner isn't eligible to apply).

It is important to note that a one-off 'spike' in income (such as a realised capital gain) can impact the income test result. Similarly, income flowing from inherited investment assets can be captured under the assessment.

## Deemed Income against Superannuation Pensions

It is common for retirees to administer a large portion of their wealth within account based pensions, which the government considers as part of the income test. An account based income stream is purchased with superannuation money. As outlined above, deeming assumes that financial investments are earning a certain rate of income (excluding grandfathered account based pensions).

The following table summarises the deeming rates and thresholds.

Deeming Rates and Thresholds	
<b>Single:</b>	<b>Rate</b>
Up to \$62,600	0.25%
Above \$62,600	2.25%
<b>Couple:</b>	<b>Rate</b>
Up to \$103,800	0.25%
Above \$103,800	2.25%
<b>Non-pensioner Couple:</b>	<b>Rate</b>
Up to \$51,900	0.25%
Above \$51,900	2.25%

## How to Apply

The CSHC is not automatically issued – an application is required. Applications can be submitted online via myGov, by completing a paper based form or by phoning the relevant Centrelink line.

As an important initial step, an individual will need to prove their identity before claiming a payment or service. A Centrelink Customer Reference Number (CRN) can be established to satisfy this process, either online, over the phone or in person at a service centre.

Income is determined by considering a 'reference tax year'. Therefore, new applicants can utilise figures and notices from the financial year immediately prior, or from 2 years prior. Where a change to income levels from the reference tax year can be demonstrated, an estimate of this may be supplied on the CSHC application for consideration.

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