

Change to pension rules for household solar energy panels

Following concerns raised by Australian pensioners, the government has moved to clarify the treatment of feed-in tariffs from household solar panels for the purposes of the pension income test.

The Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, has announced that where the feed-in tariffs are paid as a credit on an electricity bill, they will not be assessed as income under the pension income test. Minister Macklin said this will make the income test simpler and fairer for pensioners.

However where the feed-in tariffs from solar panels are made as a direct payment, for example by cheque or by direct deposit, they are assessed as income when calculating the pension.

Feed-in tariff amounts paid to households are generally small and are below the income test free areas. Feed-in tariff amounts paid as cash payments would need to be reported to

Centrelink when received and would be assessed as income for the following 12 months.

For example, if a pensioner received a cheque from their electricity company for \$260 it would be counted as \$10 income per fortnight for 26 fortnights.

These rules also apply to Veterans' Affairs service pensioners.

Financial support provided by the Commonwealth and State and Territory Governments for the installation cost of solar panels is not assessed as income for the income test.

For further information visit www.centrelink.gov.au call the Centrelink Seniors Line on **13 2300** or visit your nearest Centrelink Customer Service Centre.

